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*Public Administration Review* is intended to promote the exchange of ideas among public officials and students of administration. The various views of public policy and public administration expressed herein are the private opinions of the authors; they do not necessarily reflect the official views of the agencies for which they work or the opinions of the editors of this journal.



# The United Nations: Reorganizing the World's Governmental Institutions

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## *Statement of the Problem*

THE completion of the United Nations Charter promises the addition of a new layer of governmental machinery to that already existing within and between and among the several national states of the world. Its primary purpose is to provide effective means for coordinating national policies and action in a world so interdependent economically, socially, and politically that independent national action can result only in chaos.

The recognition of this interdependence is essential to finding the solution for most problems now facing the individual nations. The creation of the international structure of the United Nations was equally essential to insure means for concerting thinking and action. However, the success of the United Nations will depend upon the achievement of coordination among the several international organizations, and between these and the national governments. Only then can the vast framework of national and international governmental machinery be made to serve the greater ends to which the nations have dedicated themselves in the Charter.

The organizational problem is not an easy one. It is, in fact, probably the most difficult of its kind ever faced and will present many issues harder to resolve than some which arose at Dumbarton Oaks or San Francisco. At these conferences the broad principles and broad framework of United Nations cooperation were discussed and agreed upon. While issues of national security, national pride, national inde-

pendence, and sovereign equality placed a heavy strain on the tempers of the delegates and upon the language resources of draftsmen, there lies before us the job of translating the agreed-upon phrases into daily United Nations operations. Fitting together for common action the many pieces of international governmental machinery will call for much more precise analyses of the job to be done and of the kinds of institutions needed. It will also require the most patient negotiation to bring the existing agencies into proper working relations with the new central United Nations organization and with any new special organizations contemplated under the Charter.

Some of the international organizations to be brought together have been in existence for many years, have their own specific objectives, and have well-established patterns for conducting their official functions. The existing organizations differ as to the conditions of membership, the scales of contributions, voting provisions, and composition of executive and deliberative bodies. The character of the organizations differs, some being purely research, some consultative or coordinating, and some operative. The countries of the world take varying degrees of interest in the many organizations; not all, for example, have an equal interest in aviation, shipping, stabilization of currency, or reconstruction loans. These differences in interest are reflected in membership, in attendance at meetings, and in size of contributions.

It is apparent that national governments

themselves are sensitive in varying degrees to the necessity of international collaboration. In many, the nationalist spirit frequently exceeds the desire to solve the most pressing problems requiring international collaboration. This fact is of transcendent importance, since final authority to act on all matters affecting world peace and prosperity still rests ultimately with national states.

Finally, the United Nations Organization will not have supreme authority over national states. Because the emerging world organization will derive no power directly from the peoples of the world, and because it will not be unitary, its success will depend upon the degree to which coordination can be achieved by other means between and among international and national activities.

#### *Essentials in Achieving Coordination*

**C**AN the work of the multiple and heterogeneous international organizations be coordinated and the policies and actions of national states be kept in line with agreed-upon international standards?

Politically, this will depend upon the motivating power of the United Nations concept, upon the vigor and wisdom of concerted action under the Charter, and, perhaps most importantly, upon the policies and action of member states. For only as the national states see the urgency of a rationally organized international approach, and instruct their representatives accordingly, is there prospect for translating this need for coordination into the realities of international administration.

Administratively, the success of the United Nations pattern will depend on whether the adoption of the Charter is followed by continual painstaking efforts to translate into practice the idea of coordinated international action. The temptation to fall into old ways and established grooves will be great. Political declarations of unity must be reinforced by administrative procedures which compel the daily actions of

all agencies to be consonant with truly international standards of conduct. The problem here is identical with that found in governmental or departmental reorganizations, where the making of blueprints has to be followed by intensive administrative programs for their implementation. No pattern of organization is self-executing. In international organizations the forces of resistance are particularly potent because they are founded upon century-old habits of nationalism.

Achieving this necessary coordination will require (1) a rational determination of the governmental agencies needed to do the world's business; and (2) adequate means for maintaining coordination among the various agencies.

#### *Determination of the Agencies Needed*

**I**N ORDER to provide the world with a cohesively operating set of institutions to do the world's business, it will be necessary to determine the jobs involved and the specific agencies needed. The task involved is not unlike that of planning a national governmental organization. It is perhaps most like a general governmental reorganization in the United States, for which studies were made by the President's Committee on Administrative Management.

A great deal of work has, of course, already been done, in the preparations for Dumbarton Oaks and in the long deliberations prior to and during the San Francisco Conference. The decision to establish the United Nations, to provide for a Security Council, an Assembly, a Court, an Economic and Social Council, a Trusteeship Council, and a Secretariat, and the provisions for creating such additional agencies as may be needed, were organizational decisions based upon the institutional requirements for carrying out the purposes now set forth in the Charter. So also was the decision regarding sovereignty and the exclusive jurisdiction of national states in purely domestic matters. The Charter by its nature implicitly provides that the basic unit of

the organization shall be the national state.

These broad organizational decisions, which reflect policy decisions of the highest order, provide the framework within which the administration of the world's business will take place.

A special difficulty in reorganizing the world's governmental institutions arises from the fact that there are already in existence several score of organizations concerned with political, judicial, and technical matters. An analysis must be made of the functions performed by these existing agencies in terms of their possible usefulness to the new framework. There must then follow decisions concerning the disposition of staff, physical assets, and obligations of the various organizations.

This task will be a complicated one because each organization is based upon an agreement among a group of nations, and separate provision must be made regarding changes in or dissolution of each agreement. Some of the organizations are world-wide, some are regional, and some are more limited in their memberships.

With respect to organizations concerned with peace and security, the Charter recognizes that other agencies than the Security Council exist or may be created. It permits their operation so long as they do not interfere with the work of the Security Council.

With respect to judicial organizations, the Charter makes no reference to the problem except to obligate members to honor no obligations in conflict with the Charter. Presumably it was assumed that the members of the Permanent Court of International Justice will undertake to dissolve that court, once the new International Court of Justice has been established.

With respect to economic, social, and humanitarian organizations generally, the Charter is very explicit. It makes clear the authority of the Assembly to discuss and recommend almost *ad libitum* in this area. The Economic and Social Council may set up commissions in accord with a total pattern for coordinated planning in this field.

The Council may make agreements, approved by the Assembly, with any existing specialized agency to bring it into proper relationship with the United Nations Organization. Finally, the United Nations Organization may initiate negotiations among the states for the creation of any new agencies needed to fill the requirements of an established pattern of organization.

Establishing a security agency and a court was a fairly clear-cut task, and once the objective and method were agreed upon, the institutional requirements followed fairly automatically.

It is much more difficult, and sometimes impossible, in the field of social-economic policy to divide functions into neat compartments or areas of administration. The determination at San Francisco upon an Economic and Social Council with broad authority to discuss and recommend, to establish such special commissions as may be desired, and to negotiate agreements for relating existing specialized organizations to the new United Nations Organization still leaves the difficult organizational job ahead.

While separable functions can be broadly marked out for the proposed International Monetary Fund, the International Bank for Reconstruction and Development, the Civil Aviation Organization, or the Food and Agriculture Organization, there are few programs of any of these that do not somehow touch the activities or policies of the others.

Thus the setting of exchange rates and other operations by the Stabilization Fund affects the factors which must guide an international commercial policy or commodity organization (if such are established), or any organization concerned with standards of living, or the proposed Bank for Reconstruction so far as it is concerned with capacity of debtors to pay interest or principal on loans.

The issue here is not one of overlapping of jurisdiction so much as it is one of inter-relatedness of the segments of world affairs

affected by several agencies. A very practical illustration is to be found in the debates at the twenty-sixth session of the International Labor Conference held at Philadelphia in April-May, 1944.

The first item on the agenda of this session dealt with the role of the International Labor Organization in the postwar system of international organizations. Recalling the fundamental concept underlying the International Labor Organization, that "lasting peace can be established only if it is based on social justice," the Office of the International Labor Organization asked the Conference to declare that

it is accordingly a responsibility of the International Labour Organisation to scrutinise all international economic and financial policies and measures in the light of this fundamental objective and that in discharging the tasks entrusted to it the International Labour Organisation may consider all relevant economic and financial factors and include in its decisions and recommendations any provisions which it considers appropriate.

United States Secretary of Labor Frances Perkins outlined the issue in the following terms:

Few of us here, however, are technically competent to engage in discussions with regard to the stabilisation of currencies, to arrange international loans, to develop more efficient production of food-stuffs. But we do know whether standards of living in our countries or in the world generally are rising or falling. We can distinguish whether a technical economic device provided by some other agency is or is not designed to limit the production of a needed commodity, perhaps only for the purpose of creating greater profits than the necessity for a fair return on the investment required. The International Labour Organisation should appropriately discuss the various ways in which progress is being made towards the objective of freedom from want, and should be able to communicate its suggestions for the more effective pursuit of this objective to each of the technical agencies whose activities will be indispensable to its attainment.

The International Labor Organization, concerned according to its charter with broad aspects of social justice, is thus directly interested in matters which administratively would come under the proposed International Monetary Fund, the Interna-

tional Bank for Reconstruction and Development, the Economic and Social Council, the Trusteeship Council, or any organization to be set up to deal with commercial policies or with commodities or raw materials.

Similar problems will arise in the relations between world-wide and regional organizations like the Pan American Union. World-wide and regional approaches have been taken simultaneously on a number of subjects, including trade, agriculture, finance, education, and health. One need make reference only to the problem of gearing the proposed United Nations Organization for Food and Agriculture with the Inter-American Agricultural Conferences, the proposed International Bank for Reconstruction with the Inter-American Development Commission, or the Trusteeship Council with the Anglo-American Caribbean Commission. Even though the organizations may be concerned only with research or the central deposit of statistics, important questions of potential duplication and confusion arise.

When it has been agreed what governmental agencies are needed to do the world's business, it remains to effect proper working relations among them. The various international agencies must be related organizationally to each other; the national states must be related organizationally to the international agencies.

On the first, the Charter makes definite provisions. On the second, it is necessarily silent except as the general obligations of membership will compel nations to review their own governmental framework so that they may better meet the requirements of international life.

#### *Relating the Functions of the Permanent Organs*

THE importance of having proper coordination among the various organs of the United Nations was of course recognized by those who worked on the Charter. That is why specific functions were assigned



to each organ. It was also the reason for the prolonged discussions regarding the relative competence and jurisdiction of the various organs.

The Charter assigns definite functions to the Security Council, the Assembly, the Economic and Social Council, the Secretariat, and the Trusteeship Council. The Charter recognizes throughout that any policy decisions remain subject to national implementation and that national states can nullify the intentions of the Charter, if they choose to call upon some other international agencies than the United Nations to develop policy and recommend action. They may even decide to reserve any matter to the national states themselves. The Charter also provides for coordination between the principal organs through reporting and budgetary provisions.

Within this framework, the general supremacy of the Security Council over any other agencies for the maintenance of peace is clear. Thus the members of the United Nations explicitly "confer on the Security Council primary responsibility for the maintenance of international peace and security" (Art. 24). The members "agree to accept and carry out the decisions of the Security Council in accordance with the present Charter" (Art. 25). "Any dispute . . . likely to endanger the maintenance of international peace and security" may be submitted for solution to any body or agency by the states involved (Art. 33). But the Security Council may at any time "recommend appropriate procedures or methods of adjustment" (Art. 36), and the parties to a dispute, if unable to effect a solution by other means, are bound to refer it to the Security Council (Art. 37). The members agree to take such action directly "and through their action in the appropriate international agencies of which they are members" to carry out a decision of the Security Council (Art. 48). The "inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations" is limited to the

period "until the Security Council has taken the measures necessary to maintain international peace and security" (Art. 51).

While the Charter explicitly recognizes the right of members to have "regional arrangements or agencies . . . relating to the maintenance of international peace and security," these must be "consistent with the Purposes and Principles of the United Nations" (Art. 52). Enforcement action under such regional arrangements may not be taken without authorization by the Security Council, unless it is an action against an enemy state (Art. 53), and the Security Council shall be kept currently informed of all activities under regional arrangements (Art. 54).

The provisions regarding the International Court of Justice are not explicit in determining the supremacy of the court over any other courts that may be maintained by the members. In fact, they provide explicitly that the Charter obligations do not prevent members from submitting their differences to other tribunals under other existing or future agreements (Art. 95).

However, the Charter is clear that the International Court of Justice is the "principal judicial organ of the United Nations" (Art. 92), and "all Members of the United Nations are *ipso facto* parties to the Statute of the International Court of Justice" (Art. 93).

In other fields the problem of coordination will be more difficult. Again, however, the Charter provides the framework within which the coordination shall take place.

The Charter gives the Economic and Social Council power to make agreements subject to approval of the Assembly with existing specialized agencies in the economic, social, cultural, educational, health, and related fields, "defining the terms on which the agency concerned shall be brought into relationship with the United Nations" (Art. 63). In addition, the Economic and Social Council "may coordinate the activities of the specialized agencies

through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations" (Art. 63).

No difficulties should be encountered in relating the agencies in those specialized fields of cooperation like stabilization of currencies, reconstruction loans, civil aviation, or food and agriculture, regarding which plans have been made within the United Nations concept. Their proposed articles of agreement provide for relating their work to any general international organization that may be created, or any other international organization with specialized responsibilities, and it may be assumed that they will be the principal organs in their respective specialized fields.

The articles of agreement of the International Monetary Fund contain the following provision:

**Article X. Relations with Other International Organizations.**

The Fund shall cooperate within the terms of this Agreement with any general international organization and with public international organizations having specialized responsibilities in related fields. Any arrangements for such cooperation which would involve a modification of any provision of this Agreement may be effected only after amendment to this Agreement under Article XVII.

The International Bank for Reconstruction and Development provides for its relations to other international organizations as follows:

**Article V. Organization and Management.**

**Sec. 8. Relationship to other international organizations.**—(a) The Bank, within the terms of this Agreement, shall cooperate with any general international organization and with public international organizations having specialized responsibilities in related fields. Any arrangements for such cooperation which would involve a modification of any provision of this Agreement may be effected only after amendment to this Agreement under Article VIII.

(b) In making decisions on applications for loans or guarantees relating to matters directly within the competence of any international organization of the types specified in the preceding

paragraph and participated in primarily by members of the Bank, the Bank shall give consideration to the views and recommendations of such organization.

These are the provisions for cooperation by the Food and Agriculture Organization:

**Article XII. Cooperation with Other Organizations.**

1. In order to provide for close cooperation between the Organization and other public international organizations with related responsibilities, the Conference may, subject to the provisions of Art. XIII, enter into agreements with the competent authorities of such organizations defining the distribution of responsibilities and methods of cooperation.

2. The Director-General may, subject to any decisions of the Conference, enter into agreements with other public international organizations for the maintenance of common services, for common arrangements in regard to recruitment, training, conditions of service, and other related matters, and for interchanges of staff.

**Article XIII. Relation to any General World Organization.**

1. The Organization shall, in accordance with the procedure provided for in the following paragraph, constitute a part of any general international organization to which may be entrusted the coordination of the activities of international organizations with specialized responsibilities.

2. Arrangements for defining the relations between the Organization and any such general organization shall be subject to the approval of the Conference. Notwithstanding the provisions of Art. XX, such arrangements may, if approved by the Conference by a two-thirds majority of the votes cast, involve modification of the provisions of this Constitution: Provided that no such arrangements shall modify the purposes and limitations of the Organization as set forth in this Constitution.

**Article XIV. Supervision of Other Organizations.**

The Conference may approve arrangements placing other public international organizations dealing with questions relating to food and agriculture under the general authority of the Organization on such terms as may be agreed with the competent authorities of the organization concerned.

A final determination will need to be made regarding the disposition of the many wartime agencies created by the United Nations, such as the Combined Boards, including political, economic, and research bodies of various kinds.



With respect to all other international agencies, however, it must be remembered that the organizations are based on agreements among different groups of nations, whose approval is required before the agencies can be abolished, transferred, or fundamentally changed.

The most important single body of functioning agencies to be "related" is to be found in the League of Nations. These include the following specialized bodies:

Economic and Financial Organization  
Communications and Transit Organization  
Health Organization  
Several bodies on Control of Drug Traffic  
Advisory Committee on Social Questions, including: Traffic in Women and Children, Child Welfare, Assistance to Indigent Foreigners, Penal and Penitentiary Questions  
Intellectual Cooperation Organization  
High Commissioner for Refugees  
Advisory Committee on Suppression of Slavery  
International Bureaux Office  
Mandates Commission  
The Library

In addition, there is a central secretariat with important central administrative responsibilities.

The functions of these agencies must be examined in terms of (a) whether they shall be continued, and (b) where responsibility for the functions shall rest in the future. It can safely be assumed that the League of Nations will cease to exist. Provision must therefore be made for the disposition of the physical and other assets, including buildings, records, and files. A full-time staff, estimated at something over one hundred, represents a major personnel asset, as well as certain obligations in terms of pensions and other employment rights, which presumably should, in the main, be transferred to the new organization.

Disposition of these League instrumentalities requires the consent of the members of the League and could, presumably, be arranged through a single negotiation. However, the liquidation of the League is actually more complicated because it had administrative and other responsibilities

delegated to it under agreements outside the Covenant. For example, some treaties provide that the League shall be the depository of the instrument of agreement; others give the League authority to appoint arbitrators when the parties cannot agree; in some the League Council has power to make decisions on disputes; still others depend upon the League technical organs for giving advisory opinions. The League Council has a very important function in connection with a large number of minority treaties, as it does also in some agreements on the control of the drug traffic. Finally, the League is involved in important obligations in relation to reconstruction loans made to Esthonia, Bulgaria, Austria, Greece, and Danzig after the first World War.

Special problems will be faced in determining the future relation of the International Labor Organization functions to the total United Nations Organization. Although originally conceived as a part of the League of Nations and provided for in its Covenant, the International Labor Organization and some of its members have recently emphasized its autonomous character. In part this has been because not all of its members now belong to the League. In part it has been because of a feeling that the International Labor Organization needed to be protected against involvement in the decline of the League of Nations.

The tripartite system of representation in the International Labor Organization, with government, labor, and employer delegates, gives it a basis different from that of the other units of the United Nations. This has led to the suggestion that the International Labor Organization should be the protagonist of the interests of labor in the United Nations Organization.

The functions of the International Labor Organization, which are stated in terms of the promotion of social welfare, as already noted, are so broad as to encroach upon virtually every field in which any specialized organization might be expected to

work. The debates at Philadelphia in April, 1944, clearly indicated the issues from the viewpoint of the International Labor Organization.

Finally, the fact that not all signatories of the United Nations Charter are members of the International Labor Organization presents very special political problems.

In addition to the special agencies mentioned above, there are several score of organizations, some regional and some broader, including those of the Pan American Union and others, which must also be related. These cover the range of economic subjects, including trade and production, communications, financial and monetary affairs, food and agriculture, labor, and transportation. There are also some in the broader fields, including health, relief, social standards, cartography, and education. Each of these must be examined to determine its usefulness, and negotiations must be undertaken with the signatory powers to determine its future. Some may well be useful for limited periods while the new central body is finding its way.

#### *Achieving Operating Coordination among the Agencies*

AS OBSERVED above, a basic decision must be made at an early date regarding the organizational pattern to be used for the United Nations before a determination can be made regarding these many organizations. But achieving coordination of activities of the different units of international government involves more than establishing constitutional relationships. It involves also establishing operating and administrative relationships. The need for these, too, the Charter has recognized.

The Assembly not only votes the budget for the entire organization (Art. 17), but it considers and must approve any financial and budgetary arrangements with specialized agencies (Art. 17). The Organization may make any recommendations for the coordination of policies and activities of

the specialized agencies (Art. 58). The Economic and Social Council may bring members of the organization (Art. 69) and representatives of specialized agencies (Art. 70) into its deliberations, though without vote, and it may consult nongovernmental agencies (Art. 71). In addition, provision is made for reports from the Economic and Social Council to members of the United Nations. International conferences may be called (Art. 62). The Economic and Social Council may arrange to obtain reports from the special agencies, and it is authorized to make observations on these (Art. 64).

The Secretariat provides a means of insuring coordinated action of high potential importance. This organ of the United Nations, under a Secretary-General, "appointed by the Assembly upon the recommendation of the Security Council" (Art. 97), may well become, in time, the principal means for knitting together in policy and action the various elements of international government. It may also provide the leadership to give the Organization direction and forward motion.

The key figure in the Secretariat is the Secretary-General, who is designated as the "chief administrative officer of the Organization" (Art. 97).

His task is to act as Secretary-General in all meetings of the Assembly, the Security Council, the Economic and Social Council, and the Trusteeship Council. In addition, he will perform any other functions given him by these same organs (Art. 98).

The Secretary-General is to be assisted by a staff, appointed by him under rules to be established by the Assembly (Art. 101), and assigned, in part, to work permanently with the organs just mentioned (Art. 101). Through the work of this staff and the use of customary central secretariat devices, there will be every opportunity to keep the various organs fully informed of each other's work and functioning in unison.

The prestige of the Secretary-General is increased by the fact that he "may bring to the attention of the Security Council any

matter which in his opinion may threaten the maintenance of international peace and security" (Art. 99). This gives to him and his staff a direct relationship to the most important work of the Security Council.

To carry out his central administrative responsibility for the United Nations, the Secretary-General will need to give early consideration to the internal organization of the Secretariat so that it can really be the nerve center of the Organization and to the development of sound international personnel policies. He must have well-organized and strongly staffed administrative planning, budget, personnel, and office services units, in addition to adequate staff for maintaining liaison with the many parts of the Organization and related agencies and national states. He must determine the most effective organization and location for a central library, for research units, and for an information service.

In addition, he must see to the development among the many agencies of international government of consistent standards in these several administrative fields.

Finally, he must also secure full recognition by the members of the Organization of the international character of the Secretariat, as contemplated in the Charter (Art. 100). This will mean that states may need to make changes in their domestic laws regarding nationals serving the international agency, including laws on taxation, diplomatic immunity, military service, etc.

There is a large body of administrative experience extant to apply in establishing procedures for the United Nations. The League of Nations, the International Labor Organization, and the Permanent Court of International Justice have grappled with identical problems for more than twenty years. That experience is available in records and in the persons of former and present League officials.

In addition, however, there are national experiences which are applicable, but care should be taken to examine and apply them only on a professional basis. It would be

disastrous to the success of the United Nations if its administrative procedures should become a hodgepodge of various national procedures, simply to satisfy national pride.

It may be noted that the Charter has some general provisions like those authorizing the Assembly and the Economic and Social Council to discuss, to conduct studies, and to make recommendations to members, which, broadly construed, may be convenient means for achieving greater coordination among its parts.

### *Achieving Proper Relations between the Organs and the National States*

THE intention of creating a United Nations Organization is to provide international means for dealing with international problems (Art. 1, Sec. 3). But the members of the deliberative organs are representatives of countries rather than internationally elected representatives of the people. Nor is the United Nations Organization given supreme authority to establish a unified administrative system for world government. The United Nations Organization is a cooperative organization, not unlike the American states under the Articles of Confederation, which depends always upon its members' action. The United Nations approaches executive authority only in the security field, and there only within limits set by special agreements and closely guarded by the veto power. In so far as international policy and action require coordinated activity among several "related" or unrelated special agencies, the national states, as members of them, must see to their cooperation.

This means that the success of the United Nations depends entirely upon the action of national states. This, in part, is a matter of national policies; in large measure it is a matter of whether national organization and administration are geared to function within the institutional framework of the United Nations.

Coupling the national and international governmental institutions presents funda-

mentally the same problem for all national states. But in many particular respects the problems differ depending upon the form of government which a nation may have. Thus, the parliamentary form in the United Kingdom, combined with centralized government, makes its task much easier than it is in the United States with powers divided between the Executive and the Congress, with the executive branch not yet having achieved cohesive management, and with a federal system of government. In the Soviet Union concentration of power within the national government apparently will make the task relatively simple, but the recent developments regarding participation of the individual republics within the Soviet Union may raise complicating issues.

Some of the organizational questions involved for the United States may be briefly noted.

Representatives of the national states will comprise the policy-determining officials of the United Nations. Will the United States officials be the regular principal diplomatic representatives (assuming that the headquarters are at a principal city where diplomatic representation is found), or will they be specially selected to carry on United Nations affairs? There is likely to be need for sizable representation, including personnel from many parts of the government affected by the broad scope of the United Nations and by the multitude of problems presented to it. The experience of the League of Nations with permanent representation needs to be carefully evaluated. The decision on this issue will have an important bearing upon the degree to which a real international approach is taken toward United Nations matters.

What will be the authority of national representatives? In the security field, the issue has already been raised whether the United States representative will be able to commit this country to military action. The constitutional position of the United

States representative as a representative of the President seems clear. But political considerations may lead to special legislation. In other fields where, at most, the Organization will have power to make recommendations, it is still important that a representative be able to speak authoritatively for his government. Otherwise, United Nations discussions become little more than the expression of theoretical views.

The selection of delegates to the international organizations will raise a number of administrative issues not unlike those already faced in the United States regarding appointments for foreign service. A tug of war may occur between the technical agencies and the foreign offices in every country, as the former attempt to increase international technical contacts to further technical solution of international problems and the latter emphasize the need for coordination of national policy for protection of the national interest. The very concept of world organization based upon the interdependence of nations emphasizes the importance of technical relationships to solve world problems. The national basis of the new United Nations, on the other hand, also underlines the traditional position of foreign offices as the point of contact between nations.

If the United States representatives are to speak for the government there must be clear policy-making facilities. There will probably be renewed pressure in the United States for improvement of our government-wide policy-making facilities. International policies must be related to domestic policies, and various policies on shipping, aviation, commercial policy, exports, imports, and lend-lease must be consistent with each other.

In the United States, in addition to interdepartmental organization, the responsibilities of the different parts of the State Department will need to be worked out to determine particularly the respective roles of the geographic and functional offices,



and that of the Office of Special Political Affairs. Here in miniature will be found the organizational problems of the government itself.

In order that policies agreed upon in the United Nations Organization and recommended to national states for individual or concerted action may be put into effect nationally, some special attention will need to be given in the United States to political relations at the following points.

In so far as proposed policies require state legislation in the United States, further attention may have to be given to constitutional interpretations expanding the federal authority as achieved under the Curtiss Wright case of 1936. In general, however, close political relations will need to be maintained with state governments, as matters heretofore considered exclusively domestic (and under states' rights) come to be considered as touched with international concern.

On the federal level, so far as international collaboration in the councils of nations implies obligations which the United States cannot meet without congressional action, clearly there must be close consultation between Congress and the Executive on these matters while international negotiations are going on. In no other way can our deliberations with other countries be considered by those countries as based on political realities and worthy of pursuit. Special attention will here have to be given also to the particular responsibilities which will devolve upon the House of Representatives because of its relation to appropriations, though commitments may be made by the Senate or the Executive.

Within the executive branch, whenever a commitment is made there must be clear location of responsibility for seeing that our obligations are met, whether this requires action by the executive or the legislative

branch, or by other governmental units.

This all means that, as the United States increasingly takes its place in the community life of the world, its own governmental procedures must be geared to the task.<sup>1</sup>

Some special changes in national legislation and regulations may be required. For example, the creation of an international civil service with loyalty to the United Nations will raise the question of national jurisdiction over nationals of each member state. Appropriate and uniform policies will be needed regarding taxation, military service, and general diplomatic immunity. The present situation especially in the United States, under which representatives of international organizations are in a less preferred position than representatives of foreign governments, calls for early consideration and clarification.

### Conclusion

THE foregoing discussion has been limited to the broad organizational relationships that need to be worked out among the agencies that will constitute the world's governmental framework, once the United Nations Organization comes into being.

The modern world, completely interdependent in matters affecting peace, security, prosperity, and general welfare, presents problems which require for their solution the collaborative efforts of all available public and private resources. The organization of the governmental resources along lines of sound administrative working relationships is a first essential for the performance of the impending tasks.

<sup>1</sup> Cf. Walter H. C. Laves and Francis O. Wilcox, "Organizing the Government for Participation in World Affairs," 38 *American Political Science Review* 913-30 (October, 1944); "The Reorganization of the Department of State," 38 *American Political Science Review* 289-301 (April, 1944); and "The State Department Continues Its Reorganization," 39 *American Political Science Review* 309-17 (April, 1945).

# Bureaucracy and the Problem of Power

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IT IS part of our folklore to identify the development of bureaucracy with the diminution of individual freedom. This identification has given rise to a series of popular denunciations of bureaucracy, ranging from the fear of an undue usurpation of power and of vested interest of officials to complaints about the waste of public funds, unnecessary red tape, and the lack of practical judgment on the part of government officials.<sup>1</sup>

Scholars in the field of public administration have frequently tended to select their topics in response to such sentiments. By focusing attention on such problems as judicial review, administrative discretion, the separation of powers, quasi-judicial procedures, administrative efficiency, these studies have in effect been meeting specific allegations against an administration (and against any administration) with specific disclaimers or suggestions for improvement. Yet these disclaimers and suggestions have, in a sense, avoided the real issues underlying the complaints. Thus, experts have attempted to formulate for the ICC or the FCC quasi-judicial procedures which would meet the standards of impartial adjudication, although the clamor for judicial review by the critics of these agencies was prompted by a desire to curb their powers, not to improve their procedures.

This is, of course, not to deny the value

of such studies in public administration, but to call attention to certain neglected problems in this field. Clearly, studies concerned with the improvement of the governmental service must make some prior assumption about the desirability of such improvement. But in making this assumption they inevitably sidestep the problem of the distribution of political power, since the idea of improving the governmental service takes the given distribution of power for granted.<sup>2</sup>

The popular identification of bureaucracy with oppression cannot, however, be taken lightly, since the extension of governmental functions has frequently curbed and sometimes obliterated the freedom of the individual.<sup>3</sup> Yet, there is also much evidence to show that it has furthered the cause of human freedom; and the great critics of "governmental interference" have often overlooked the latter point. Thus, the classical critics of mercantilism tended to forget that the emergence of absolute monarchy had been a powerful factor in the development of business enterprise, which

<sup>2</sup> This corollary is not altered, but rather confirmed, if the administrative process is conceived of in terms of an arbitration of conflicting interests. In a sense all studies concerned with the improvement of the governmental service conceive of administration in these terms. Cf. Avery Leiserson, *Administrative Regulation* (University of Chicago Press, 1942), p. 14.

<sup>3</sup> There is another aspect of the problem of bureaucracy and individual freedom which is not touched upon here. Both Karl Marx and Max Weber have emphasized with great persuasiveness that the division of labor under modern capitalism involves the separation of the worker in any field from his instruments of operation and generally the lack of meaningful participation of the individual in the processes of production and administration. From Marx, Tocqueville, and Weber to Veblen and Mannheim this has been a recurrent theme, which has an important bearing on the problem of bureaucracy and freedom.

NOTE: The author wishes to acknowledge his debt to Professor Leonard D. White of the University of Chicago and to Professor Arthur Schweitzer of the University of Wyoming for their helpful criticisms and suggestions.

<sup>1</sup> For an analysis of the historical background of this ideology see the recent statement by Gunnar Myrdal, *An American Dilemma* (Harper & Bros., 1944), I, 432 ff.



certainly at the time was regarded as assuring the merchants greater freedom than they had hitherto enjoyed. Likewise, the modern critics of the "service state" tend to forget that governmental "interference" has increased individual freedom by promoting social security, just as the earlier governmental aid in the development of corporate enterprise and western expansion increased the freedom of the business man.

Nevertheless, the anxieties expressed in the popular distrust of modern governmental bureaucracy have a basis in fact. Today, a revolutionary overthrow of government has become infinitely more difficult than it was before the development of modern technology, and consequently the democratic right of revolution, of which Lincoln spoke, is now a right in name only. Moreover, bureaucracy in a democratic society should be a neutral agency executing policies which the people ultimately determine. Modern government does not live up to this ideal.

The following discussion begins, therefore, with an ideal-typical characterization of modern bureaucracy against the background of historical development. This is followed by a brief analysis of the tendencies, just mentioned, which indicate how modern bureaucracy (in western Europe and North America) actually differs from this ideal type. If this bureaucracy constitutes a threat to human freedom, it is clearly important to ascertain the historical factors responsible for its development and to discern the forces affecting the exercise of governmental power. The analysis of these factors has, however, resulted in two mutually contradictory explanations. Some students maintain that bureaucracy in government is the inevitable result of the tendency toward industrial concentration and monopolization inherent in the capitalist economy. Others state that economic concentration is just as inevitably the result of government bureaucracy and its interference with economic life. An attempt to

resolve this dilemma leads to a restatement of the basic issues which a study of bureaucracy should confront.

### *Modern Bureaucracy and the Problem of Power*

WE HAVE witnessed a growth of governmental apparatus of the modern type ever since the rise of absolute monarchy in Europe. From the time of the Tudors on it came to be recognized that the head of the state held an effective monopoly of power, in distinction from the feudal system, in which the power of government was delegated to semi-autonomous lords. Thus, only the king could legitimately exercise physical coercion (within the bounds of certain customary rules and legal regulations).<sup>1</sup> The powers of the king were exercised by officials, whose duties became increasingly technical in character with the increasing complexity of governmental affairs. These officials, remunerated at first by favors from the king, came to receive regular salaries, which required in turn a system of centralized taxation. Thus, remuneration for governmental service was no longer identical with what the incumbent could get out of the office. Instead, salaries were paid by the treasury and as a result remuneration became separated from the office. The struggle ever since the sixteenth century has been over the questions (1) whether and how much both the policies and the financing of government would be subject to the deliberations of some representative body; and (2) how representative of the people this lawgiving body would be. It is against this background that modern bureaucracy arose. In order to understand it, we need first to specify what we mean by bureaucracy.

Bureaucracy in the modern state<sup>2</sup> is based

<sup>1</sup> Cf. Franklin Le Van Baumer, *The Early Tudor Theory of Kingship* (Yale University Press, 1940).

<sup>2</sup> The following characterization of bureaucracy follows closely the analysis of Max Weber, *Wirtschaft und Gesellschaft* (1925), II, 650-78. Cf. also Carl J. Friedrich, *Constitutional Government and Democracy* (Little, Brown & Co., 1941), chap. II.

on the principle that governmental policies are executed by appointed technically qualified officials, who work full-time and whose positions are related in terms of sub- and superordination. These officials exercise their functions according to learnable rules of procedure. Ideally, each position in the governmental hierarchy is characterized by specific, regular activities. Certain powers of command and coercion are ascribed to the position (not to the incumbent), and the qualifications of the official are tested and consequently considered to be adequate for performing the duties of his office. The official is compensated for his services by a regular salary and by the expectation of a career service carrying with it increasing grades of responsibility, salary advancement, pension provisions, security of tenure, and a certain social status. On the other hand, certain obligations or deprivations are associated with the office: the incumbent is bound to a faithful and impartial execution of the duties of office, and he cannot ordinarily expect a monetary compensation comparable to that of equivalent positions in private employment. The major characteristics of modern bureaucracy of the western European type are based on the monopoly of legitimate coercion by the government, on a system of centralized taxation, on a body of qualified officials (working under the conditions outlined above), and on the supremacy of a nation-wide system of rational (i.e., calculable) law.

What determines how this modern bureaucracy will exercise its power? In attempting to answer this question we must realize that today the problem of power in a bureaucratic government differs a great deal from what it was in the centuries prior to the rise of the modern state. Throughout the period preceding the advent of the supervisory and welfare functions of modern government, a revolutionary disruption of the administrative machinery, while extremely inconvenient and destructive, did not entail the discontinuation of "essential"

services. And the technology of warfare and communication did not constitute an insurmountable barrier to an overthrow of government by force. In other words, governments did not have the technical facilities necessary for the abolition of privacy in personal life (totalitarianism). Moreover, governments then were not so dependent as they are today on specially trained administrative personnel. Since the end of World War I these factors have changed. It should, therefore, be considered whether the increased role of government, its dependence on a professionally trained corps of civil servants, and the vastly improved technology of policing and defense have in fact changed the nature of modern revolutions. It may be that today a revolutionary change (other than the fascist type of revolution) is only possible after a destructive war. And with the increasing devastation caused by modern warfare the nature of these postwar revolutions may be changing as well. At any rate, it is clear that these changes are so significant in their implications for the exercise of power by government that studies of bureaucracy in the traditional sense do not suffice. We must search instead for the underlying transformations in society that have prompted these developments. We must seek to interpret the technical and social changes which affect governmental bureaucracy, not only in order to improve the civil service, but in order to understand more fully the problems of power which it involves.

The conclusions which may be drawn from the preceding ideal-typical characterization of bureaucracy and its relation to the problem of power are threefold:

1. Bureaucracy in the modern state tends to operate like an "automaton," i.e., a body of officials whose performance of duty is professionalized and has consequently become independent of their personal sentiments and opinions.

2. As a result, policy is determined at the top (ideally, outside the executive branch), relayed to the bureaucratic apparatus, and

at every step of the hierarchy executed in optimum conformity with the original policy decision.

3. Thus, while administrative power is the lifeblood of bureaucracy, the direction of its exercise lies ideally outside its jurisdiction.

Obviously, no bureaucracy ever conforms to this model. But the ideal type of modern bureaucracy, particularly in western Europe and North America, has two other specific traits:

1. Modern bureaucracy is characterized by the development of administrative autonomy due to the importance of technical skills. In the sense that these skills make the higher administrative personnel irreplaceable, modern governmental bureaucracy holds a *monopoly of skill*.

2. Revolution against a modern governmental bureaucracy has become technically very difficult, if not impossible. A complete overhauling of such a government is very nearly out of the question, since it would involve the interruption of public services essential to the community. Modern governmental bureaucracy holds, therefore, a *monopoly of power*.

Any realistic analysis must, consequently, see its task in ascertaining the various ways in which a specific bureaucracy approximates or deviates from this model.

#### *Governmental Bureaucracy and Monopolistic Industry*

THE two most prominent theories of bureaucracy have taken as a point of departure one of these characteristics of modern bureaucracy (its "monopoly of power") and have attempted to account for it historically. Both theories assume that modern bureaucracy has in fact a monopoly of power, although they differ in their evaluation of how this power is exercised and in their historical analysis of its development; neither theory recognizes the tendency toward administrative autonomy. Both the *laissez faire* and the "economic" theory of bureaucracy agree further that the exten-

sion of governmental control is synonymous with the diminution of individual freedom, although for the latter theory this is of secondary, while for the former it is of primary significance. It is necessary to present these theories here, before a restatement of the problem of modern bureaucracy can be attempted.

*Bureaucracy as the Result of Monopolization.*<sup>1</sup> In recent years the concentration of economic power has again been described as jeopardizing democracy. In this connection the separation of ownership and control in large corporations has been developed into a theory of the "managerial revolution." According to this theory, we are now in a period of transition, in which the central political and economic controls are passing from the hands of the old to those of a new "ruling class." The dominance of individual capitalists, who were both owners and managers of their enterprises, has passed irretrievably under the impact of the growing corporate system. The control over economic power has been concentrated in the hands of "managers"—i.e., all those who determine the policies of business enterprise and governmental agencies. According to this theory all distinctions (other than those of degree) between different political systems (such as fascism, communism, state capitalism) become obliterated by this world-wide revolution common to all. Burnham's theory is relevant in this context because it sees in the growing bureaucratization in industry and government the reason for the concentration of power in the hands of the "managers." And since these "managers" are held to constitute one cohesive group, it follows that a new social system has emerged or is emerging.

This theory seems little more than ques-

<sup>1</sup> Bureaucracy is indispensable both in industry and in government, but it does not always present the same problems in both areas. Compare in this respect the view of Ludwig von Mises, who holds that business is democratic and government dictatorial (*Bureaucracy* [Yale University Press, 1944]), with the view of Beardsley Ruml, who finds that business is dictatorial and government democratic (*Tomorrow's Business* [Farrar & Rinehart, Inc., 1945]).

tion-begging. Burnham constructs a "new social class" by designating as "managers" all those who handle the "controls." In this way, a new class is found to control industry and government; and consequently the managerial revolution is found to be in progress in all industrialized countries.<sup>1</sup> But the concentration of controls in the hands of men who control but do not own does not mean that the "managers" are of one mind. The rising importance of managerial functions is undisputed. But the incidence of economic power is not changed merely because the men who exercise these functions control an enterprise without owning it.<sup>2</sup> The real question is, as Burnham's critics have been quick to point out, whether (1) men who control the policies of industry, government, labor unions, farm groups, etc., constitute a cohesive group owing to this common characteristic; or (2) the ideas and policies of the so-called managerial group differ in any respect from those of the older type of entrepreneur. The problem of power which bureaucratization poses is not illuminated by the assertion that all "capitalist" countries are more or less in the hands of those who control their respective industrial and governmental bureaucracies.

Another interpretation of the changing relation between governmental bureaucracy and "business" expresses the belief that the development of trade associations by big business (so-called "peak associations") is more or less synonymous with the

development of modern totalitarianism.<sup>3</sup> Through these trade associations big business influences the government politically and economically, and with their help it furthers in addition the monopolization of industry. These associations have acquired national scope; they are no longer confined to the organization of competing firms in one branch of production but comprise today whole systems of industrial enterprise. In all fascist countries, the trade associations existing before the dictatorship can be shown to have been the antecedents of the trade associations under the dictatorship. Consequently, according to Brady and others, the trade associations influential in Britain and America today are simply the antecedents of the trade associations ruling the fascist Britain and the fascist America of tomorrow. In support of this thesis a wealth of evidence on the activities of trade associations has been adduced. The inference is drawn that "Business" is ready to take over the strategic controls of governmental bureaucracy. It is in these terms that Brady has interpreted the rise of fascism in the Axis countries and has forecasted similar tendencies in England and the United States.

Obviously, the tendency toward concentration of economic power is real enough. But it is still necessary to inquire why differences between "fascism, communism, democratic capitalism" continue to exist. Why is it that the concentration of power in the hands of the peak associations has so far failed to bring fascism to this country—especially since, as Mr. Laski has pointed out, the feelings of fear and the inclination toward appeasement of fascist movements are rampant among the modern industrial-

<sup>1</sup> Burnham's thesis is reminiscent of the technocratic argument of fifteen years ago, which attributed strategic control to production engineers. It is also comparable to the still older argument that contended the same for the proletariat in the old union slogan of the German labor movement: "Alle Raeder stehen still, wann dein starker Arm es will." In all these cases, the conclusion is drawn that certain people in the production system constitute a separate social group because they serve similar functions and that they are powerful because they are indispensable.

<sup>2</sup> In fact, Joseph A. Schumpeter has argued that the managers are less likely to fight for their enterprise, since they are only employees, hired by anonymous owners. That means that they do not constitute a new social class, but only represent an old one, which is

dying. See his *Capitalism, Socialism and Democracy* (Harper & Bros., 1942).

<sup>3</sup> Cf. Franz Neumann, *Behemoth* (Oxford University Press, 1942) and Robert A. Brady, *Business as a System of Power* (Columbia University Press, 1943). Both authors are strongly at variance with Burnham but share with him certain basic premises discussed below.



ists (or "managers").<sup>1</sup> Apparently, the emergence of fascism is not simply a matter of the concentration of economic power: such concentration existed in Germany, for instance, under the Kaiser, during the Weimar Republic, and under Hitler. Such concentration has existed at the same time (if not to the same degree) in Britain. Nor can it be taken for granted that the peak associations will be able to take over the controls of government by simply continuing their "customary" activities. Moreover, these associations are not of one mind. To what extent can they afford to see their influence on administrative arbitration and governmental assistance obliterated through the usurpation of all governmental power in the hands of a dictator? Do they not require, in fact, a certain independence of government, which is yet subject to their influence, in order to have an agency which can guarantee the legal and administrative prerequisites of monopolistic practices, which industry itself could not provide? To what extent is their propaganda against labor unions a smoke-screen which hides a collusion of interests between industry and labor? To what extent has this traditional antilabor attitude itself changed? Such questions have a bearing on the relations between government and the concentration of economic power; they should, therefore, be a part of a comprehensive study of bureaucracy in modern society.

Burnham, Neumann, Brady, and others have in common the idea that the concentration of economic power (and the bureaucratization of industry) has encroached upon and will finally take over the control of the governmental bureaucracy. As a result, authority will be exercised to the detriment of the individual and of the people as a whole. In this interpretation all the signs point the ascendance of the "business system of power" over the "governmental system of power." This tendency is the out-

come of capitalistic development, in which competition and technical innovations have led to a greater and greater division of labor. Improved technology and the economic advantage of large-scale production have, on the other hand, prompted the development of industrial amalgamations, which in turn have necessitated increased governmental controls. Large combinations of industrial enterprise are established partly for the purpose of safeguarding investments and preventing what their spokesmen regard as unfair or cut-throat competition. They require certain governmental regulations for the same purpose. Thus, bureaucracy results from the tendencies of industrial monopolization.<sup>2</sup> It may be difficult to determine where regulation ends and subsidization begins, but it seems clear that such requests for governmental action are prompted by an understandable anxiety to safeguard the huge investments which large industrial combinations represent. Thus, monopolization and governmental regulation are employed to reduce the hazards of economic enterprise.

Up to this point there is at least superficial agreement among the writers who regard monopolization and bureaucratization as inherent tendencies of capitalism. However, the role which government is called upon to play receives various interpretations. Some think of government as the protector of "society" against the encroachments of monopoly business.<sup>3</sup> Others think

<sup>1</sup> Cf. in this respect Joseph A. Schumpeter, *op. cit.*, pp. 87-106, who maintains that the economic advances of the last century could not have been made without monopolistic practices in industry. He criticizes those liberals who deplore these practices and at the same time blame technological advance for grave social dislocations. According to S., monopolistic practices are the devices by which the capitalist system mitigates the social effects of rapid economic expansion. For a theoretical discussion of risk-taking and its relation to monopolization see Frank H. Knight, *Risk, Uncertainty, and Profit* (Houghton Mifflin Co., 1921).

<sup>2</sup> This is by and large the basic idea of the investigations of the Temporary National Economic Committee concerning the concentration of economic power. See also Thurman Arnold, *The Bottlenecks of Business* (Reynal & Hitchcock, 1940).

<sup>3</sup> Cf. Harold J. Laski, *Reflections on the Revolution of Our Time* (Viking Press, 1943), chap. i.

of governmental bureaucracy as a concomitant development of business monopolization and of both as the result of the technological trends of capitalism. Still others think of bureaucracy as the necessary result of the opposing pressures of capital and labor; both are organized to press for the realization of their demands and are held together as a political unit by governmental arbitration, conciliation, and reform. In this way, the chaotic tendencies of society are transformed into organized political existence.<sup>1</sup> Thus, the reasons which are given to account for the development of bureaucracy vary. But these divergent interpretations share the idea that bureaucratization in government has resulted from the "objective" development of capitalism, not from particular policies or from specific ideas about economic life.

*Monopolization as the Result of Bureaucratic Interference.* This latter, radically different interpretation is today advanced by the so-called liberal economists. In their opinion the history of the last two or three generations shows an increase in the functions of government and consequently an increase of the bureaucracy necessary to administer these functions. Measured against the standard of an ideally competitive economy, the increase in governmental functions and the consequent proliferation of its bureaucratic apparatus appear essentially as the result of constant, wilful "interferences" with economic life. Accordingly the history of the last hundred years is by and large explained by asserting that both bureaucracy and monopolizations in industry have resulted from bureaucratization in government, which in turn is the outcome of faulty economic policies. The first "mistake" is sometimes seen in the legal enactment of corporation charters,

<sup>1</sup> Cf. the older interpretation to this effect by Lorenz von Stein, *System der Staatswissenschaft*, Vol. II: *Die Gesellschaftslehre* (Stuttgart: J. G. Cotta, 1856). Along similar lines see the recent reinterpretation of English economic history in Karl Polanyi, *The Great Transformation* (Farrar & Rinehart, 1944).

which promoted the growth of economic concentration.<sup>2</sup> A second "mistake" is seen in the fact that the government has assumed various social, economic, and regulative functions, which are decried as so many interferences with the competitive system. The resulting bureaucratization of government is interpreted as an outcome of cumulative (and sometimes or frequently inadvertent) aggravation of initial "mistakes." Others regard it as emanating from a more or less sinister conspiracy on the part of some people (socialists, intellectuals, crackpots, etc.), who either do not know any better or actually desire to undermine the competitive system.<sup>3</sup>

This interpretation of the liberal economists is obviously the reverse of the one previously mentioned. Government "interference" is spreading to many spheres especially of economic life, which were hitherto free from regulation. Increasing bureaucratization is the result. Consequently, the "governmental system of power" is in the ascendance and will eventually encroach upon all aspects of individual enterprise so that in the end a complete regulation of economic life may be anticipated. All other (noneconomic) spheres of life will eventually come under government regulation, since the latter has an inherent tendency to expand. Individual freedom is, however, maintained only in a free enterprise system. Every vestige of individual freedom will, therefore, be obliterated with the disappearance of free competition.

This approach to the problems of bu-

<sup>2</sup> This leaves out of consideration that at the time such incorporation was advocated as the simple right of individuals to dispose of their property as they saw fit. Cf. Walter Lippmann, *An Inquiry into the Principles of the Good Society* (Little, Brown & Co., 1937).

<sup>3</sup> Cf. L. von Mises, *op. cit.*, and, by the same author, *Omnipotent Government* (Yale University Press, 1944). Also Friedrich von Hayek, *The Road to Serfdom* (University of Chicago Press, 1944) and his interesting articles, "Scientism and the Study of Society," *Economica*, Vols. IX-XI (1942-44). For a more temperate discussion along similar lines see Lionel Robbins, "The 'Inevitability' of Monopoly," in *The Economic Basis of Class Conflict* (London: Macmillan & Co., Ltd., 1939), pp. 45-80.



reacracy starts out with an analytical account of a completely competitive economy in order to show how governmental bureaucracy has interfered with this economy instead of securing the institutional framework necessary for its unhampered operation. Thus, liberal economists account for the rise of bureaucracy historically by referring to the "mistakes" of past economic policies. It was a mistake for the government to issue charters of incorporation; it was a mistake to raise tariff barriers; it was a mistake to legalize trade unions. Responsibility for these mistakes is attributed to people who are not familiar with economics or who are wilfully undermining the free enterprise system. It is to be noted that in accounting for the historical development of bureaucracy most liberal economists begin by showing why a competitive economy is desirable and then proceed to demonstrate in what ways governments have "interfered" with it.<sup>1</sup> The reasons for this preference of a competitive economy vary. Some, like von Mises, insist that economic rationality can be obtained only under free competition, since no other system provides the possibility of calculating assets against liabilities. All other economic systems are, therefore, economically irrational (i.e., inefficient), since in them the allocation of resources must be arbitrary. Other writers base their preference on the value of individual initiative, which is thwarted in any economic system other than free enterprise.

<sup>1</sup> The more sophisticated writers do not assert that government has interfered with an ideally competitive economy. But all assume either that at one time the approximation to a competitive economy (emerging out of the dismantling of mercantilism) was close enough to realize this economy, provided no interference would thwart this development, or that any reference to trends, tendencies, developments, etc., is purely fictitious, and consequently economic affairs change in conformity to the analytic scheme of free competition (forever maximizing production and improving technology) or as a result of political actions that interfere with the system. Only the second assumption is consistent. It rests on a strictly nominalist interpretation of society and history: all changes occur as the result of the interaction of individuals, and the actions of all individuals, taken separately or additively, are the ultimate social facts.

Still others stress primarily the historical concomitance of the competitive economy with the emergence of individual freedom, either by pointing to the history of freedom since the industrial revolution or by emphasizing the (absolutely) unique concatenation of historical circumstances which has given us this one chance of personal freedom and which will never recur.<sup>2</sup> But apart from such differences in emphasis, there is a consensus that the competitive economy has been vitiated by deliberate government action.

*Preliminary Conclusion.* The foregoing account of the two divergent interpretations of the historical origin of governmental bureaucracy presents us with a curious impasse. In one explanation the role of the concentration of economic power is explained in terms of inherent tendencies of capitalism, which have also entailed an increasing bureaucratization in government. In the other explanation, the increase in governmental bureaucracy is attributed to the deliberate adoption of faulty economic policies (advocated by naive or malicious radicals and intellectuals), and the concentration of economic power is, as it were, a minor offshoot of this bureaucratization. In view of this dilemma it seems reasonable to presume that each approach emphasizes what the other neglects. Clearly, those who regard the concentration of economic power as the primary cause tend to lose sight of the self-perpetuating and expansive

A reduction of individual actions to any kind of collective determinant is rejected as untenable. Cf. Hayek, "Scientism and the Study of Society," *op. cit.*, or Ludwig von Mises, *Nationalökonomie* (1940). See also F. A. Hayek, "The Facts of the Social Sciences," 54 *International Journal of Ethics* 1-13 (October, 1943) and the important discussion of this article by Allan G. Gruchy, "Facts and Reality in the Social Sciences," *ibid.*, 216-22 (April, 1944). The most systematic statement of the opposite view is perhaps Emile Durkheim, *The Rules of Sociological Method* (University of Chicago Press, 1938), chap. 1.

<sup>2</sup> An impressive case is made for this point of view by Max Weber, "Zur Lage der bürgerlichen Demokratie in Russland," 22 *Archiv für Sozialwissenschaft und Sozialpolitik* 346 ff. See also, by the same author, "Der Sozialismus," in *Gesammelte Aufsätze zur Soziologie und Sozialpolitik* (Tübingen, 1924).

tendencies of bureaucracy, which are in part independent of this influence of economic power. It is equally obvious, on the other hand, that the liberal view tends to lose sight of the monopolistic tendencies of industrial enterprise, which are in part independent of governmental policies which aid them. In both interpretations we find a curious naïveté with regard to the separability of the economic and the political realm, either in terms of the belief that the economic causes are basic and the political phenomena are in fact epiphenomena, or in terms of the belief that the competitive economy would work out if only it were not interfered with politically. Thus, each view implies a theory of social change. But the one regards the political actions leading to the formation of modern governmental bureaucracy as the dependent variable of economic changes inherent in capitalism, while the other regards these political actions as the independent cause, which leads to an interference with the (ideally) competitive economy and thereby encourages the development of bureaucracy.<sup>1</sup>

Thus, the principal difference in interpretation does not rest, I submit, in the instances cited to support either view. There can be little doubt that in so far as the "facts" tell us anything, they tell us both that bureaucratization is the "result" of economic concentration and that economic concentration is the "result" of governmental policies.<sup>2</sup> Additional historical evidence for both positions is, therefore, not likely to resolve this dispute, unless the problem itself is reformulated. In this connection it is useful to take note of Gunnar Myrdal's theory of cumulative causation, according to which the ramified effects of

any institutionalized social action are so far-reaching that questions of a particular historical origin frequently lose much of their significance.<sup>3</sup> Accordingly, studies in the growth of bureaucratization will be illuminating only in so far as they can show in what manner the historical conditions of capitalism in the various countries of the western world were such that any piecemeal "facilitation" of the economic development by the government tended to proliferate into a growth of industrial concentration and administrative apparatus (regardless of who demanded or initiated such governmental action). Thus, the history of the corporation begins with the legalization of incorporation and especially of limited liability, without which the investment of large funds necessary to large-scale enterprise would have been very much retarded. Modern production technology as we know it today would have developed at a much slower rate, and the absence of the tremendous investment uncertainties which are involved would certainly have mitigated the tendency towards monopolization. But the historical development has now reached a point at which these original advantages of incorporation have been superseded in importance by the economic dangers of monopolization and by the political dangers of an unprecedented concentration of economic power. The question remains: what was it in the structure of this economic system which led from this beginning to this result? And that question is not answered by repeated references to the historical origins of these latter-day developments.

This approach to the historical development of governmental bureaucracy leads in turn to a different conception of the relation between modern government and the major interest groups (such as "business" and "labor"). *By playing the role of arbitrator government helps to consolidate*

<sup>1</sup> This divergence in historical interpretation rests in turn on a basic disagreement as to the nature of social facts.

<sup>2</sup> See, for instance, Thomas C. Cochran and William Miller, *The Age of Enterprise* (Macmillan Co., 1942) for the history of the corporation as contrasted with H. L. Childs, *Labor and Capital in National Politics* (Ohio State University Press, 1930) on the origin of the United States Chamber of Commerce.

<sup>3</sup> Cf. Gunnar Myrdal, *op. cit.*, I, 75-78 and II, Appendix 3.

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these groups; and governmental bureaucracy in turn grows inasmuch as these groups are compelled to assign new functions to it. This relation between government and interest groups induces an ambivalence on both sides, a study of which would provide important insights into the emerging trends of bureaucracy. To illustrate: from the point of view of industry monopolistic practices may be characterized as so many devices for reducing the risks of investment, for cushioning the effects of business fluctuations, etc.<sup>1</sup> In the opinion of business men, government must play an important role in safeguarding a smooth working of these devices; as a result, the "calculability" which has been said to characterize the legal system under capitalism has been applied to the economic sphere. That is to say, industrialists help government in shaping those policies which will make the "administration of corporate enterprise" more calculable—i.e., reasonably assured against losses. But business is just as much interested in keeping government out of the policies governing investments and the monopolistic reduction of risk and uncertainty, whenever in the judgment of business men government goes beyond the provision of safeguards or the maintenance of the rules of the game. It is difficult to see where the line between these two aspects of governmental regulation is to be drawn. Yet it is clear that the various business groups must continuously seek to draw and redraw it, notwithstanding the basic ambivalence of their whole position in its economic and psychological aspects. Thus, what appeared before as the more or less unanimous voice of "business" in its opposition to governmental interference may then turn out to be a struggle among the different groups of business and industry—with, in, and against the government, with as well as against other interest groups—

over the incidence of political power and economic policies.<sup>2</sup>

A study of the relation between government and interest groups so conceived would seem more rewarding than the dogmatic dispute emanating from conflicting philosophies of history which has been described and criticized above. Moreover, it may then appear that governmental administration can and must function in part independently of the "pressures"—to the extent, at any rate, that the conflicting "pressures" of various groups inadvertently entail the possibility of disregarding them. But while this reorientation may help us to understand the interrelation between government and interest groups, it does not by itself enhance our understanding of present-day bureaucracy. For this purpose it is important to go back again to the two interpretations of the development of bureaucracy under capitalism which have been discussed above, since both interpretations imply a theory of bureaucracy. The idea that governmental bureaucracy has arisen from the concentration of economic power rests on the following assumptions:

1. Bureaucracy is the administrative instrument in the hands of the ruling class.
2. The recruitment of administrative personnel and the policies which it executes are both part of

<sup>1</sup>The same ambivalence of a need for government aid and a rejection of governmental interference characterizes (although in different ways) the relation between bureaucracy and other interest groups, especially labor. This more complex picture of the relation between business and bureaucracy may also help us to clarify our conception of the secular trend. By itself it does not lead to fascism. Fascism requires in addition that the representatives of concentrated economic power despair of the possibility to attain what they regard as "necessary for their continued dominance." Then they resort to the "use" of *condottieri* leaders of a mass movement (partly built upon their support, partly dependent on other developments in the labor field particularly), in order to create a social order in their own image. Fascism is attained through the use of a mass movement, over which business has at best imperfect control. It entails for business greater security of profits at the cost of a sharply reduced freedom of decision. It would be important to reconsider the rise of fascism in the light of the preceding discussion—which should, however, be clearly distinguished from an analysis of its structure after the conquest of power.

<sup>2</sup>Cf. Schumpeter, *op. cit.*, pp. 87-106 and Cochran and Miller, *op. cit.*, chaps. iv, vii.

the political struggle, whose outcome is determined by the secular changes in the capitalist system of production.

3. The executive branch of government has, therefore, as much power as the ruling class delegates to it; since bureaucracy is the "administrative arm of the ruling class," it is a body of officials so organized as to obey the policy directives which are handed down. Bureaucracy has, therefore, no autonomous power of its own; it has a monopoly of power only in the sense in which this monopoly is derived from the power of the ruling class.<sup>1</sup>

As over against this view of bureaucracy, the *laissez faire* theory contains a number of theoretical assumptions about the nature of bureaucracy that are equally sweeping but in some respects reversed:

1. Governmental bureaucracy is the administrative instrument of its directing officials.

2. The recruitment of administrative personnel and the policies which it executes are both part of the political process; this process is the sum total of individual and group actions, concerned with the political promotion of their self-interest. While the parallel process in the economic sphere should be left to itself (within an appropriate legal and political framework), in the political sphere it cannot be expected to operate in a similar fashion, since no "pricing-mechanism of power" exists. It is necessary, therefore, to convince the individuals in power that it is politically and economically imperative (for the preservation of freedom) to adopt such political measures as will safeguard free competition.

3. Such policies can be made effective as soon as the directing heads of governments are convinced. (This has so far not been successful because misled intellectuals and radicals have been more influential.) Bureaucracy is the "administrative arm of these directing heads," and as such it has no power of its own.

Thus we see that both views are in agreement as to the nature of bureaucracy on a number of points. They hold that the power of government in modern society is derived, although they differ as to the origin of power.<sup>2</sup> Both views treat bureaucracy

consequently as the "executive branch" of government with no power of its own. And both are finally agreed that the extension of governmental bureaucracy entails the diminution of individual freedom, although here again they differ radically with regard to the causes of this development.

### *The Problem of Bureaucracy Restated*

THE preceding statement of the assumptions concerning bureaucracy which underlie the controversy over its historical origin shows—surprisingly enough—that neither view (again with the exception of Burnham) attributes any independent power to the administrative apparatus. It is more or less taken for granted by the authors discussed above (1) that bureaucracy is a pliable tool in the hands of some sinister minority (e.g. radicals, monopolists, etc.), (2) that the absolute power attributed to bureaucracy is actually derived from forces outside the government itself, and (3) that the "monopoly of power" characteristic of government is bound to be used for the diminution of individual freedom. Not one of these assumptions has been empirically verified, although much incidental evidence is cited in support of them.

It is important to restate the problem of modern bureaucracy and its exercise of power in the light of the foregoing discussion in order to outline the principal problem areas. In this respect Weber's construction of the ideal type of bureaucracy may again serve as a point of departure, since it presents us with a curious dilemma. Weber noted that modern administration has become steadily more specialized. The importance of the skill element in modern administration is such, in his opinion, that power in the modern state cannot be exercised without a professionally trained bureaucratic apparatus, whatever the system

<sup>1</sup>These assumptions do not apply to Burnham's theory. He has modified the Marxian concept of the ruling class; to him the managers who control the industrial and administrative apparatus constitute the ruling class. Yet Burnham believes also that their power to control is derived from the transformations of the capitalist economy.

<sup>2</sup>The pluralist doctrine conceives governmental power to be derived from the interaction of diverse

voluntary groups—in analogy to the market in which interacting individuals determine price. Cf. in this respect John Stuart Mill's statement that the "antagonism of influences is the only real security for continued progress." See his "Representative Government," in *Utilitarianism, Liberty and Representative Government* (E. P. Dutton & Co., 1910), p. 201.



of production. But he noted at the same time that modern bureaucracy has become professionalized—i.e., subject to a code of professional ethics according to which the official will faithfully execute the duties attending his office regardless of personal sentiments and disagreements with the policies involved. As a result, modern bureaucracy is ready to serve whatever party is in power, and in fact the security (calculability) of commercial transactions in a competitive economy depends upon this professional neutrality of the civil service.<sup>1</sup> Thus, the indispensability of skilled administrators makes modern bureaucracy autonomous, but professionalization makes it a subservient tool.

On the other hand, Weber observed that modern administration also implies a monopoly of power (monopoly of legitimate physical coercion). Although it depends on the circumstances in what way and to what extent this power will be used, it can at any rate not be effectively challenged. Weber noted that control over this bureaucratic apparatus by an insurgent group cannot be attained through its destruction, since under modern conditions the group would need a bureaucracy of its own to put the new policies into effect.<sup>2</sup> Consequently only shifts in the control over modern bureaucracy can, according to Weber, be obtained, either through the democratic machinery of representation or through a coup d'état (substitution of one group controlling the

bureaucracy by another). Thus, whatever group is in power, the unchallengeable position of the bureaucratic apparatus, by which it rules, gives the government a monopoly of power. Yet, the concern with administrative efficiency puts all policy considerations (affecting the use of power) outside the pale of bureaucratic competence. (The paradox is even greater when it is remembered that all administrative experts are agreed on the necessity of policy considerations within the administration for the purpose of making it efficient.) *Bureaucracy is, therefore, all-powerful and at the same time incapable of determining how its power should be used.*

It is important to recognize that these mutually contradictory tendencies are, indeed, to be found in modern bureaucracy. There is a growth of administrative autonomy (discretion) and of professionalism in the civil service. Likewise, the administrative branch of government has acquired greater powers (with the increase in its functions), and, finally, the legislature and the people have become wary over the maintenance of their right to determine policy. But if these tendencies are combined into an ideal-typical construction, it becomes more difficult to discern the factors which account for the actual relations between administrative skills and the degree of bureaucratic autonomy. In order to examine these relations, it will be helpful to outline the principal variables, especially those factors which have a bearing on the degree to which modern bureaucracy can exercise its powers independently.

In modern bureaucracy certain high administrative officials have (1) a monopoly of skill—i.e., they are irreplaceable because of the high technical qualifications which their positions require.<sup>3</sup> In so far as these managerial experts are irreplaceable, they are said to have a monopoly of power,

<sup>1</sup> Cf. Max Weber, *op. cit.*, II, 664 for his analogy between governmental and judicial bureaucracy. In both cases laws or policies are "fed" into the apparatus, which in turn issues decisions or executive acts in exact conformity with the directives. Modern economic theory speaks in this context of the "elasticity of expectations." See J. R. Hicks, *Value and Capital* (Oxford: Clarendon Press, 1939), pp. 205, 254-55.

<sup>2</sup> Lenin maintained that the people would "take over" the government, and that the existing state needed to be destroyed. He did not think this would result in chaos; the people themselves would exercise the functions of government, since these had become sufficiently simplified in the meantime. Weber holds, on the other hand, that administration in the modern state has become more and more specialized—a tendency which would only be enhanced by the advent of socialism. Administration by the people is, therefore, impossible, and destruction of the state would only result in chaos.

<sup>3</sup> Typically, this does not apply to government employees who are technical experts in the scientific and industrial fields. For them substitutes can be found with relative ease, and they have a characteristically low prestige in the civil service.

which they may or may not exercise. That is to say, they have (2) a potential monopoly of power (a) to sabotage policy directives or (b) to effect such directives on their own, in so far as these are at odds with official policy. Whether they use this potential monopoly of power will depend in turn on their (3) exercise of independent power or the degree of their administrative autonomy.<sup>1</sup> This is indicated by some or all of the following factors: (a) actual indispensability—a criterion which alone involves a host of variables, such as irreplaceability of certain experiences or skills, which would ordinarily be a matter of time; urgency of the demand for the continuation of a specific public service; urgency of the demand for its continuation along lines peculiarly associated with the incumbent administrator (a condition in direct contravention to the ideal of an efficient service, in which the personal equation is at a minimum—so they say);<sup>2</sup> ability of the incumbent to use personal influence and connections in support of his continued service; (b) the degree to which a code of professional ethics of civil servants has been developed; (c) the ease of alternative employments in other fields than government; (d) the unanimity of purpose in the managerial ranks in the sabotage of opposed and the independent execution of desired policies; (e) remoteness of administrative procedure from the individuals and groups who are affected; and (f) technical complexity of the matters which come thereby under administrative discretion.

All these intrabureaucratic factors which help to determine the degree of administrative autonomy are in turn conditioned by forces which affect the executive branch

without being fundamentally affected by it. These "external" factors pose the problem of (4) administrative autonomy as determined by the socio-economic organization of a society. Autonomy is in this sense determined (a) by the degree to which the education and recruitment of the top-flight personnel has resulted in a group of administrators of similar social derivation and social philosophy (that is to say, administrative autonomy may be extensive under conditions where the recruitment of the managerial personnel gives assurance against what powerful groups in society regard as a misuse of executive power);<sup>3</sup> (b) by the urgency of the demand for the continuation of public services; (c) by the implicit or explicit demand for administrative autonomy by various interest groups, either for the furtherance of their own interests (e.g. labor's demands for more discretionary action on the part of the WLB); for the "socialization of risks," which requires discretionary action on the part of administrative agencies;<sup>4</sup> for the pursuit of a common enterprise (e.g., war); for the promotion of cartelization or, conversely, for the freezing of given relationships among monopolistic enterprises (e.g., the case of the rate-differentials between different railroads before the ICC). Such demands always involve at least the risk that the governmental agency will go farther than desired, and in fact the fulfilment of these demands frequently makes such extension of administrative autonomy necessary. And, ultimately, the actual monopoly of power in the hands of the governmental bureaucracy may be tested (d) by the changed character of modern revolutions, which makes the military apparatus at the disposal of the

<sup>1</sup> Some of the factors under this heading are discussed by Otto Kirchheimer, "The Historical and Comparative Background of the Hatch Law," in *Public Policy: A Yearbook of the Graduate School of Public Administration, Harvard University*, II (1941), 341-73.

<sup>2</sup> For illustrations see Ernst Fraenkel, *Military Occupation and the Rule of Law* (Oxford University Press, 1944), pp. 25-37, and the experience of our present military government in Italy and Germany with similar problems.

<sup>3</sup> Cf. the recent controversy over the dismissal of Jesse Jones and the appointment of Henry Wallace as Secretary of Commerce. Cf. J. Donald Kingsley, *Representative Bureaucracy* (Antioch Press, 1944), pp. 261-83, for an analysis of the importance of this factor in English administration.

<sup>4</sup> For illustrations cf. the recent article by Fritz Karl Mann, "The Socialization of Risks," 7 *Review of Politics* 43-57 (January, 1945).

government practically insuperable, if the government is disposed to use it.<sup>1</sup>

These specifications may serve to indicate the type of questions which would have to be answered before any conclusions can be drawn about the relation between the "monopoly of skill" and the "monopoly of power," toward which modern bureaucracy is frequently said to develop. The "variables" briefly enumerated above raise doubts about the meaning of both terms. It is difficult to conceive of a strictly irreplaceable group of sellers of managerial skill. It appears that the men of managerial skill are powerful not because their skill makes them irreplaceable but rather because, and to the degree that, their education and social derivation induces in them a common social philosophy. Thus, administrative autonomy is a matter not of skill but of "derived power"—i.e., of the power delegated to the administration through the organized representation of social groups. This point is further emphasized by a correct interpretation of the idea of "administrative impartiality." This impartiality means that administrative officials will faithfully execute policies of which they personally disapprove. Yet, if government is to continue, such impartiality presupposes a similarity of outlook between administrators and the forces framing public policy. Without this basic agreement administrative discretion would result in sabotage rather than in impartiality; without it, occasional or even frequent disagreements on policies would become politically and administratively unfeasible. It is, therefore, not true that the administration would serve everybody equally well.

These reservations with regard to the criterion of "monopoly of skill" are, on the other hand, not intended to detract from the growth of administrative autonomy which has developed in modern govern-

ment. But it is an "autonomy of degree" which has developed, not a "monopoly of power." The true measure of this autonomy may be taken by discerning the extent to which government is in a position to remain uninfluenced by changes in class structure, by the shifting weight of social conflict groups, by long-run changes in public opinion, and, ultimately, by its ability to avert or withstand revolutionary upheaval. Consequently, it is quite possible to agree that modern bureaucracy requires skilled personnel and yet to hold that no skill-monopoly exists. Likewise, it is consistent to hold that administrative autonomy has increased but to deny that it constitutes a "monopoly of power."

From the preceding discussion it would appear that the popular identification of bureaucracy with an abuse of governmental power is at any rate misleading, since it is not the bureaucracy which abuses power; or, to put it differently, since the governmental "monopoly of power" (in so far as it exists) is derived. This opens up the whole problem of sovereignty, which cannot be discussed here except to say that recent theories either have conceived law or the state as all-embracing metaphysical entities or have explained sovereignty away by some theory of pluralism. It should be noted that most of these theories are little more than reflections of more basic postulates. Thus, those who regard the modern capitalist society as moving inevitably in the direction of fascism will be inclined to state that sovereign authority is quickly disappearing,<sup>2</sup> and some writers end up with the belief that under fascism the state has vanished altogether.<sup>3</sup> Others, who are more sanguine in their views of the prospects of the modern service state (who regard the conflicting group interests as ultimately reconcilable and who view bureaucracy as the arbitrating agent), conceive sovereign authority to be derived in various ways from the or-

<sup>1</sup> Cf. an early analysis of this change in Friedrich Engels' Introduction to Karl Marx, *The Class Struggles in France* (International Publishers, 1934), pp. 1-30.

<sup>2</sup> Cf. Otto Kirchheimer, "In Quest of Sovereignty," 6 *Journal of Politics* 139-76 (May, 1944).

<sup>3</sup> See Franz Neumann, *op. cit.*, pp. 459-76.

ganized expression of the "popular will." Finally, there are those who regard the basic documents of American government as the source of power and who consequently have no truck with any sociological or economic interpretation.<sup>1</sup>

In alluding here to these large theoretical problems I am primarily concerned with showing that in all cases a theory of bureaucracy implies a larger philosophy of history<sup>2</sup> to which the theory must inevitably lead back. I contend, moreover, that all these theories and philosophies can be interpreted as different estimates of the specific range between the two extremes of completely decentralized anarchism and completely centralized totalitarianism which a given bureaucracy in a given country occupies. That is to say, all government lies somewhere between these extremes, and the various theories of bureaucracy are so many attempts at explaining on the basis of different philosophies of history why modern government in Britain or the United States struck its particular balance between the extremes. These remarks are, indeed, self-evident; but by calling attention to the enduring aspects of the problem of government we may perhaps throw some light on the modern problem of bureaucratic government.

It may lead to such a restatement of the problem if we deliberately go outside the usual frame of reference and inquire whether a comparative social psychology of bureaucracy may perhaps guide us where the over-all philosophies of history fail. Again, it must suffice to enumerate some significant problem areas. One important aspect of bureaucracy is the accessibility of public employment. Max Weber thought that professionalization of the public service had democratic implications, since it based government service on qualification rather

than birth. Yet the implications may just as easily be nondemocratic, if such professionalization of the civil service is coupled with an authoritarian prestige which government employment may have in the eyes of the public. How much social prestige does the official possess, and/or how much is public employment desired for the security of tenure, the prospects of regular advancement, and the eventual pension? And, conversely, how much is the public service in disrepute precisely because of these attributes of employment in it?<sup>3</sup> Markedly different answers are likely to be given to these questions, even if countries are compared whose economic structures are as closely similar as those of Germany, Britain, and the United States. Moreover, comparative research in this respect is likely to reveal different patterns of obedience to authority or, conversely, of spontaneous public cooperation. These patterns may in part be traceable to the role of authority in family life which is characteristic of different cultures, since the attitudes toward the authority of the father seem to be relevant for the formation of adult attitudes toward governmental authority.<sup>4</sup>

These psychological considerations lead us back to our main theme. How has it come about historically that such different attitudes towards governmental authority have developed, and what light do these differences of the historical development throw on the emergence of modern bureaucracy?

<sup>1</sup>Cf. L. D. White, *The Prestige Value of Public Employment in Chicago* (University of Chicago Press, 1929).

<sup>2</sup>Actually, the relevant psychological aspect of the problem is twofold: adult attitudes toward governmental authority are strongly influenced by (1) the father's authority in the family and (2) the father's own attitude toward governmental authority. The bearing of such psychocultural patterns on bureaucracy is illustrated by such studies as Gerald Brenan's *The Spanish Labyrinth* (Macmillan Co., 1943) or Gunnar Myrdal's analysis of the American attitude towards government in *An American Dilemma*. See also the article by Sol Tax, "The Problem of Democracy in Middle America," 20 *American Sociological Review* 192-99 (April, 1945). The same questions are again relevant for the attitude toward governmental authority among the officials themselves and for their own use of authority.

<sup>3</sup>Cf. Hyman Ezra Cohen, *Recent Theories of Sovereignty* (University of Chicago Press, 1937), for a convenient summary.

<sup>4</sup>In speaking of philosophy of history I do not have in mind that these theories of bureaucracy are without empirical foundation, but that they go beyond it.



Little headway has so far been made in giving an answer to this question, partly because of the antigovernmental bias which has motivated many studies of bureaucracy. Moreover, the idea of a "monopoly of power," which was derived from studies of the emergence of the modern state, has been used to characterize bureaucracy in general.<sup>1</sup> Students have been primarily interested in what all bureaucracies of western Europe and America have in common, and, apart from Veblen's work on Germany (and Japan), no attempt has been made to show the sociopsychological and institutional differences in the process of bureaucratization, in so far as these can be attributed to a retarded breakdown of feudal institutions and traditions.<sup>2</sup> As a result, little attention has been given to the effect of the noncontemporaneous industrialization of different countries on the rise of their respective bureaucracies. It would be very important to investigate the effect of such factors on

<sup>1</sup> This tendency signifies the German influence on studies in this field. In Germany the modern state did not emerge until the nineteenth century. Consequently, particular attention was paid to the "monopolization of power," which was in fact identified with the state, although it signified only the process by which it originated from the feudal system.

<sup>2</sup> Cf. Thorstein Veblen, *Imperial Germany and the Industrial Revolution* (new ed.; Viking Press, 1942) and "The Opportunity of Japan," in *Essays in Our Changing Order* (Viking Press, 1934), pp. 248-66. Retardation refers to any "lag" as contrasted with comparable developments in England.

the pattern of obedience to authority and of the degree of spontaneous public cooperation which characterizes the different "bureaucratic cultures" of the western world.

It seems to me that such considerations should have preceded the question whether bureaucratic tendencies have been encouraged by social forces inherent in the capitalistic economy. But it is, of course, this last problem which has given rise to so much controversy, which—as we have seen—led ultimately back to a dispute over different philosophies of history. In so far as the development of governmental bureaucracy is a question of fact, it can be resolved. But in so far as the instances of bureaucratization in government (owing to "big business" or "misguided intellectuals") are cited not to diagnose past trends but to predict future contingencies, the controversy over the causes of bureaucratization is actually concerned with the extrapolation of historical trends. Will monopoly business lead to fascism? Or will governmental regulation of labor relations lead to the eventual elimination of individual freedom? The important study of the potentialities and dangers of bureaucracy will make progress only if the underlying philosophical assumptions, which alone make answers to these questions possible, are made explicit.

# Notes on the Governmental Executive: His Role and His Methods

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GOVERNMENTAL executives—what they do and don't do and what they should and shouldn't do—have received their full measure of popular attention in recent years. They have been pulled apart and discussed pro and con. They have been demolished vocally; sometimes they have been given the stamp of approval. More often than not, however, these oral onslaughts have failed to take cognizance of the essential character of the executive job in large establishments. In the public press, and even in the textbooks, such phrases as "delegation of authority," "sharply defined responsibilities," "elimination of duplication and overlapping" are worked over repeatedly to the point of weariness. In the public administration societies it is the old stand-bys of organizing, coordinating, analyzing, budgeting, controlling, *ad infinitum*, that get the spotlight.

Discussion focused in these directions often misses the crux of the problem the executive must solve if he is to be able to guide and direct his organization so that it can carry out the program for which he is made responsible. What does the executive have to do if his leadership is to be effective? How does he meet the limitations and obstacles that are inherent in most management situations? It is with this point, the position of the executive and how it is implemented, that I am here concerned. It is not the planning, development, and execution of program that I propose to discuss,

but rather the conduct of a large organization in discharging its assignment.

There is, of course, no standard prescription, no patent medicine that can be given to the executive, guaranteed to solve all his problems and leave him free of frustration and dismay. The differences in individuals who find themselves in executive positions and the variations in the life cycles of organizations produce practically limitless permutations and combinations. The pattern is never the same, and only after penetrating inquiry of the circumstances in each case would a wise man undertake to suggest what might be required to assist the executive in establishing reciprocal relationships with his organization.

A new organization set up to perform an emergency function—a War Production Board, an Office of Price Administration—puts very different demands upon its executives than an organization that has had time in which to mature its program and develop its precedents and traditions—for example, the New York State Department of Education, the U. S. Forest Service, or the Cincinnati Public Works Department. Similar contrasts run through the entire catalogue of agency characteristics. Requirements differ in an organization rendering a routinized service or engaged in a paper processing job such as the Postal Service or a dependency benefits office, from requirements in a planning or development commission. They differ within the life of an organization, between the time when it is moving in an accustomed pattern and the

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time when external pressures or events are forcing drastic changes—the Department of Agriculture in the early years of the century and in the 1930's. They differ between an organization in which activities are conditioned to a large extent by outside circumstances and one in which the product to be developed is relatively definitive and tangible—the U. S. State Department vs. the Railroad Retirement Board.

When the variations in the personalities of executives are intermingled with the kaleidoscopic aspects of organization, the possible results become almost infinite. On the one hand, there are those who function by giving their staffs full rein and, on the other, those who believe in relying more on executive drive and push; the idea men and those whose expertness lies more in salesmanship and negotiation; the men skillful in legislative and public relationships and those whose forte is internal management; those with a great fund of administrative experience and those without. Both institutional and personality factors affect the sum total of what any organization is and both must be taken into account in estimating what is needed to make the thing work.

We have had sufficient experience in analyzing the variables, however, to have acquired some useful benchmarks. We have learned enough to know in a general way what is required if the executive is to be able to fulfill his role and what may stand in the way of success. It is in this context that I have assembled these notes in the hope that they might illuminate in some degree a few of the many facets of the problem of large scale public management.

By large scale, I mean organizations of such size as to preclude face to face dealing by the executive with all of the constituent elements. Although there will be many modifications in the method of executive leadership between an organization of 500 or 1,000 employees and one of 10,000 or 20,000 employees, the variations are not crucial for the problem with which I am concerned: How results can be achieved

when the activity is of such scope that it is beyond the ability of the executive to keep personally in touch with all of its aspects or to apply his personal efforts to very many of its problems.

Much of what I have to say is true of any large organization, public or private. In this discussion, however, I am directing my attention more specifically to the executive in the environment of the public service. By this I do not mean the Chief Executive: Mayors, Governors, the President, although many of my comments apply also to these top officials. What I am concerned with primarily is the number one man in an agency or department, or bureau or other major subdivision which presents the problem of leadership through an institutional framework.

The specialized conditions surrounding governmental programs put extraordinary demands on their directors in terms of knowing how to weave the competing and disparate elements into a unified whole and producing an organization capable of accomplishing its mission. Public pressures, the need to adjust to the views of legislative bodies, the rigidities in procedures attendant upon management according to law and executive regulation are elements present in any public service enterprise. All of these are related to that central characteristic that distinguishes executive positions in the public service from those in private management—the fact that the government executive is the guardian of the public interest and is accountable to the electorate, directly or indirectly, for what he does. This is very different from the concern for the public which the private executive has in relation to the marketability of his product and the good name of his firm.

In addition, many present day governmental organizations directed toward mobilization of the nation's resources for war and preparation of the United States for support of international commitments have inherent complexities in program that are unique. The problems we have faced and

are still facing in finding and developing sufficient executive leadership for these unprecedented enterprises are indicative of the need of further probing and further understanding of what it takes to bring the public service and the demands that are now placed upon it into balance.

### *The Executive's Role*

THIS discussion of the job of being a successful governmental executive is predicated on the assumption that the product of any organization is an institutional product, not the executive's personal product. What the executive can accomplish—his impact on the organization—at any one point in time is conditioned by the state of his organization, and what he achieves is largely the product of his influence rather than his command. Therefore, in long range terms, the job of an executive is to create an environment conducive to concerted effort in pursuit of the organization's objectives. In short run terms, his job is to know what is going on in the organization and to be in a position to act on the issues which require his personal attention and still to retain sufficient freedom to deal with those outside his organization—superiors, legislators, public. Stated differently, the executive's job is one of maximizing his influence throughout his organization as distinguished from relying exclusively upon his formal authority and the power of command. A good many aspects of these propositions have been probed by others, notably by Mr. Chester Barnard in his numerous writings on executives and their work, and perhaps require no further comment. In many quarters, however, these concepts seem to be insufficiently understood.

Whatever may be the notions of what executives do and how they do it, the bed-rock fact is that the executive must rely on his staff for the achievement of his objectives. Most issues in his organization will be settled without ever reaching him. And on those that do reach him his choice will generally be a restricted one. By the time a

report or instruction has been developed, worked over, revised, reviewed, level by level, what finally remains for the executive to say in most cases is "OK." He may be inclined to make some changes, but he will soon learn that something else will demand his attention before he is through. Unless what comes to him involves an issue of great importance, he will, therefore, frequently have to accept what he considers to be an inferior product. When the issue is a crucial one for the organization's program and involves high level judgments on the consequences of a given course of action, the executive may be called upon to choose among two or three alternative solutions, but secondary questions are likely to have to go by the boards. Consequently, unless the executive's objectives are wholeheartedly accepted by his organization, the chances that they will be achieved are problematical.

Failure on the part of the executive to seek aggressively his organization's support may leave him in a precarious position. The forces militating against an effective working together toward a common goal are many and powerful in any large organization: Unreconciled points of view, tradition and routine, inertia, the distortions that grow out of specialist interests, personal ambitions. These internal resistances singly or in combination can cancel out the executive's efforts. To be sure, some of the drives in any established organization represent forces of stability that will keep the organization running when there is no leadership and will save the new executive from many mistakes. Furthermore, the necessary adjustment of the executive to the facts of his environment can contribute to his development by increasing his understanding of how he can function in relation to what goes on around him. On the other hand, if the executive is entirely unsophisticated in the ways of institutional behavior and does not consciously and continuously take steps to offset the divisive elements in his environment, he will find himself dom-



inated by rather than dominating his organization.

The executive is often seen as the man sitting at the top of the organization possessed of a dangerous amount of authority, hiring and firing at will, whose every suggestion or order is responded to promptly and completely. This view reflects one of the greater misconceptions about the nature of executive work. The government executive may have a large grant of legal authority, but he will find that, in actual fact, it must be used in an economical fashion. If he lacks discrimination in the use of his power, he will debase its value and perhaps find himself impotent at a moment of crucial importance. He must guard against destroying the organizational support on which he must depend in executing his program. As Paul Appleby has often remarked, the new executive in an organization may fire a few persons but not very many. Reducing the point to an absurdity, he can't issue an order, "Now and henceforth all employees shall wear red neckties," and expect to get a response. By persuasion, by indoctrination, by leadership—in other words by influence—he may, however, be able to accomplish what he cannot accomplish by fiat. This is by no means a universally understood truth. There are too many executives who fail to recognize that because the members of their organizations are creatures of reason their positions would be strengthened if they bolstered their formal authority with the support that comes from conviction.

I do not mean to suggest, however, that awareness of the importance of influence as a method of reaching institutional goals is strictly a milk and honey proposition of dubious effectiveness in moments of crisis. If the executive is skillful and knows how to establish his position, he can be the decisive element in determining the character of the organization, and he can exercise his authority with telling effect when the occasion demands it. The point is he cannot "bull his way through" any and all situa-

tions; he cannot run against the tide of organization opinion. He may buffet his way by sheer force on occasion or on specific issues, but if he does it too often he may pay for his gains by failure to carry his organization with him over the long run.

I have already commented that the executive's job has to be viewed in long range terms as well as on a day-to-day basis. His aim will be to use his own time and talents on the activities and issues that will contribute the most to the organization's forward movement and to develop a supporting team to the point of optimum production. His success in reaching it will be, in important measure, determined by his success in developing a body of commonly shared ideas. This is a prerequisite if his staff are to have guide posts against which to judge their general direction and their specific actions and if he is to have some assurance of reliable performance. Without this kind of institutional environment, the executive will be unable to mold the organization into something more than the sum of its parts. Furthermore, cultivation of such an atmosphere is essential if the members of the organization are to have a sense of participation in an enterprise bigger than themselves and secure the satisfactions necessary to good staff work. Only then do the fragmented jobs that are the lot of most people in large organizations become a source of stimulation.

The importance of an institutional environment and of indoctrination in its meaning has long been understood by the Army and Navy, but in large part has been neglected by civilian governmental organizations. It has often been observed that indoctrination permits West Point and Annapolis trained men to function, and function well, even though the commonly accepted rudiments of good organization may be missing in a given situation. Some of the civilian organizations such as the Farm Credit Administration, the New York City Police Force, and the Tennessee Valley Authority are conspicuous for their high

morale—the natural by-products of a consciously fostered environment. More often than not, however, this basic source of organization strength has been given too little attention by governmental executives in this country.

Awareness of the problem does not mean prompt solution. Almost any executive is likely to find that the contribution he can make to an organization's environment can be made only over an extended period of time. Rapid adjustments, such as customarily take place in the Army and Navy at the outbreak of war, or in a relief agency in time of distress, are the exceptions rather than the rule. The recently appointed chief of a Federal bureau with many years of tradition and precedent behind it has estimated that his job of redirection is at least a ten-year one. On occasions in the Federal Government when time considerations were crucial and other factors permitted, this problem has been solved by setting up a new agency, thus short circuiting the process of retooling a staff steeped in earlier programs and methods. This is a principal reason why some of the new war agencies were set up to do jobs which on the face of it might have been assigned to existing agencies. Normally, however, a government executive is likely to find it necessary to work with what he inherits and to develop a plan of action that can be followed without too much disruptive pulling and hauling. This may mean focusing his developmental efforts on future rather than on current activities, so that the daily work of the organization can move ahead with a minimum of uncertainty and interruption. What the executive accomplishes over the short run will depend upon the state of the institutional environment at any one time and upon the external circumstances affecting his program. His day-to-day activities and decisions may be directly in line with his long range plans or he may be forced on occasions to accept situations or proposals that do not measure four square with his ultimate objectives. Whether the

executive's job is viewed in long range or short range terms, however, the ways in which he can seek to maximize his influence and close the gap between present reality and the ultimate ideal of smoothly integrated activity are the same. It is on these that I shall comment briefly for the remainder of this discussion.

### *How He Spends His Time*

THE executive's concept of what his job is and the way this affects the scheduling of his time and talents will be a primary factor in the results he secures. In large part this can be encompassed under the head of "operating at his proper level." In his forthcoming book, *Big Democracy*, Paul Appleby develops the point at some length. By this he means that no head of a government department or other subdivision should do work or make decisions that should be the responsibility of officials at a lower level in the organizational hierarchy. Not only does this disrupt and confuse his subordinates but it prevents the executive from doing what is properly his job.

*Dealing with People.* The executive job is one of dealing with people, of judging, adjusting to, and working around personalities both inside and outside his organization. This is at the core of the business of getting people to apply their energies in harmony with each other and getting things done. I recall the case of a city manager who was extremely unpromising at the time of his appointment. He had no apparent experience or interest in such matters as working out arrangements for delegations of authority or subdivision of labor, he probably had never heard of the follow-up principle, and he was completely baffled by theoretical discussions of management. He had, however, an abiding interest in people. He attracted people, and he had an uncanny sense of whom he could trust. Anyone looking at his organization and how he functioned would say it couldn't work. But it did. He had a feeling for what it took to

provide the cohesion and the central pull necessary for turning out services to the community.

This is in part a reflection of the fact that the executive should use a major portion of his time and talents in being the catalyst who assimilates and draws together the ideas of others, resolves lines of action, gets agreements nailed down, sees that action gets taken. He must develop and rely on his staff for the carry through on the specific elements of his program and must carefully restrain himself if tempted to dip into technical work. If he does not, he will never have time for his part of the institutional job—the never ending one of bringing about a consensus on the one hand and on the other of seeing that discussion does not protract interminably, that something decisive happens.

In doing this, he will need to take care not to go off on his own without regard for his organizational resources. If he forgets or ignores his staff in the course of operations, he runs the risk of dispensing off-the-cuff opinions which will not stand close analysis or making commitments which his organization cannot fulfill, not to mention the fact that such actions leave the staff in thin air. Unfortunately, not all governmental executives are like the one who commented to me recently that he doubted that he crossed up his staff as often as they did him. There are too many who operate as if the chief function of staff was to keep the executive from the embarrassment of explaining away their errors. This can only lead to a frittering away of strength in checking up on many small and relatively unimportant episodes.

The public arena character of the executive's responsibilities will draw upon his resources day and night, and he will find that in varying degrees, depending upon his status in the governmental scheme of things, he will not be able to live his life according to his personal choice but must govern himself in the light of the demands upon him. Nor will he be able to compen-

sate for this by pointing at the end of the day to specific accomplishments and saying, "I did such and such." He may be able to think of a number of things that his organization did and how he tried to influence his organization and perhaps provide the capstone to some enterprise, but he can't look upon the results as his own.

It is because of these characteristics of executive life and routine that the appointment of good technicians to administrative posts is often a failure. Unless the specialist happens to possess the rare quality of administrative aptitude he cannot be remade into an executive with satisfaction either to himself or his staff. Anyone who has observed governmental operations has seen many instances of the unfortunate consequences of moving to administrative posts persons who are first and last technicians—making a physician a public health officer, a design engineer a commissioner of public works, a social case worker a welfare director, a program idea man in a Federal department an assistant secretary.

*Not as a Technician.* The need for the executive to eschew the technical and stick to the level where adjustments get made and judgments about the implications of surrounding circumstances are applied is one of the oft repeated dictums of the public administration fraternity, but the point too frequently is oversimplified. For one thing the dividing line can never be determined with finality. The extent to which the executive concerns himself with specific issues will always be affected by such factors as the age of his organization, outside circumstances, and the extent to which he may have to compensate for failures at lower levels.

In any event, the executive must know enough of the general field not to get lost in the labyrinth. If he does not know the program at the outset, he must master quickly its major substantive elements. Otherwise he will be unable to command the loyalty and respect of his specialists and weld them together as a team. He must have

sufficient understanding of the basic issues involved in his program to be able to judge whether the necessary steps have been taken to arrive at a proper conclusion. In the early days of the Federal Bureau of Old Age and Survivors Insurance, for example, the way in which individual participants were to be enumerated and their accounts identified—now numbering approximately seventy million—was one of the major technical issues. With many contending proposals advanced, members of the Social Security Board as well as the head of the Bureau had to go into the problem sufficiently to be assured that the staff had developed the best answer.

The more background the executive develops with the passage of time, the more discriminating will be his judgments that have technical ingredients. He will learn to know when he should overrule his specialists (seldom on technical grounds) and how far he can rely on them, and he will know enough not to be cowed by them. Although the executive must be able to find his way among the technicians, his dominating concerns are more likely to be the non-technical factors affecting the resolution of a problem, particularly the general implications and potential outside acceptance of what is done. While the state highway commissioner, for example, will need to keep up with major changes in specifications or design which may become centers of controversy, he will find that his main headaches will arise out of such questions as the right of way for a road or the location of a bridge.

*External Affairs.* This necessary concentration of the executive with what is feasible and with judging what is in the public interest should affect materially the amount of time the executive spends in becoming sensitive to and influencing the outside environment. It is the executive's job to cultivate relationships with the heads of other government agencies, with members of legislative bodies, with private institutions, and with the public so that his staff

will have a favorable climate within which to function. In this way, he can increase his awareness of the ways in which programs and ideas must be carried out if they are to be accepted. The job of running interference for his organization is one that only the executive can do, and the effectiveness with which it is done will be a significant determinant of what his organization can accomplish.

His success in this part of his job will be affected in part by whether the executive confines his contacts to those that come to him or whether he consciously seeks to direct the character of these relationships. The government executive too often restricts himself to persons of his own social background or of the particular group with which his agency deals. He needs to mix with those who are against as well as for his program. If his agency's function is concerned with aids to business, he needs to understand the viewpoint of labor; if it is social welfare, he needs to mingle enough with the rugged individualists to see life from their angle. If his outside contacts are not well rounded or if he neglects them altogether, he may find that he will end up with a distorted view of the outside environment.

The executive's success in meeting these outside responsibilities will also be in part a by-product of his reaction to what his job demands of him as an individual. The broader and more generalized it is, the more important it will be for him to know what is going on not only in his general field, but in the community, in the nation, and in the world. He will need to broaden his own horizons, stretch his mind, and develop new ideas from which his whole organization can benefit. I know one Federal department head, for example, who met at regular intervals with people of ideas both inside and outside his organization, thus doing comprehensively what every executive should do at least in some degree. As a basic minimum, he should find time to keep up to date on the journals and books



that give perspective to government enterprise, and I do not mean here administrative literature, important as that may be. If he lets himself become so preoccupied with his immediate problems that he fails to keep up with the life that is going on about him, he lets slip one of the best ways through which he can have an impact on his organization—by helping to bridge the gap between it and the world at large.

### *How He Saves His Time*

**I** TRUST these comments on the level of activity on which the executive's energies should be focused do not give the impression that all the executive need do is have a bit of insight into what is demanded of him and proceed forthwith. It will unfortunately be an inevitable part of his lot that people and things will press for his attention far beyond his capacity to deal with them. His life will be a succession of meetings, telephone calls, documents. He cannot escape spending appreciable time handling many problems which will seem small in themselves but which may have serious implications for the status of the organization; persons who are not performing, staff troubles and worries, some aggrieved citizen, a press release. Many persons outside his organization will seek him out—citizens, legislators, newspaper men, old friends, *ad infinitum*.

Although he will need to take the greatest care not to appear inaccessible either to his staff or to those outside his organization, he must face the very practical problem of deciding whom he will see and of maintaining a balance among the competing demands for attention. If he holds himself open to deal with any problem that comes to him he will become inaccessible to his operating chiefs and he will neglect his outside responsibilities. Decisions will be delayed. He will lose perspective both on his organization and the world and will fail to provide the upward pull and unifying influence that his position requires. With a little firmness and careful planning,

however, there are a number of steps he can take to conserve his time, and he can establish controls that will in reality increase rather than decrease his accessibility.

*Personal Staff.* Judicious use of personal assistants is one of the best of these. In a large department or office, the executive may have several such assistants. Secretary of State Stettinius, in announcing new appointments in the State Department recently, designated fifteen persons to various types of assistant positions, in addition to the regular staff officers of the Department. For some of these, special areas of concern were indicated, e.g., International Organization and Security Affairs, Press Relations, Broad Management Matters; for others no special assignment was mentioned. This is probably far too many for the ordinary situation. The city manager of a city of 50,000 inhabitants, the head of a department of a medium-sized state, or a Federal division chief, for example, may find that a single administrative assistant will be sufficient.

One of the most important uses of the executive's personal staff, including his secretary, is in meeting the problem of seeing people. They can help him arrange his calendar, determine whom he should see, control the length of time he spends with visitors. They can frequently do much to satisfy those whom the executive is not able to see or arrange for their business to be disposed of by other officials. To meet the needs of subordinates they can often secure spot information or decisions from the executive. They can arrange meetings between the executive and persons both within and without the organization according to relative urgency.

The personal staff can also help identify the most pressing problems requiring the executive's attention and can pave the way for their speedy disposition by being sure that all necessary information is at hand and in order. They can sometimes pinch hit for the executive on spot jobs. They can give assistance in writing speeches and

articles and can accompany him on trips when they can be useful. They can keep him up-to-date with what is going on. Sometimes one of them serves as an intimate advisor and will help select key officials and evaluate the performance of subordinates who seem to be falling down on their jobs. Obviously, each of the executive's personal assistants is not assigned to all of these tasks, as there will be specialization among them. But until his immediate office is staffed with aides who can do some or all of these things for him, he will be unnecessarily handicapped.

On the other hand, he must guard against overdoing it. A large number of personal assistants may mean that there are deadheads or blanks in the organization for whom the executive is seeking to compensate by increasing his personal staff. This can only muddy up the regular lines of communication and command and cause confusion in his organization. Personal assistants can also be a source of uncertainty if the executive fails to define their jobs so that their roles are understood by the rest of the organization.

An executive's personal assistants must not function as palace princes, accessible in varying degrees to other organization officials and pleading the cause only of favorites. They must be the same to all men, and the executive must kill any tendency to manipulate the organization or to afford an entrance through the "back door." Equally fatal is reliance on them by the executive to the point that his outlook becomes limited and warped.

*Operating Aides.* In addition to what the personal staff can do to save the executive time and energy, there will also be need in any large organization for the kind of assistants who can share his principal operating burdens. If the executive chooses such aides judiciously he can compensate for talents which he may not have and multiply several times the impact of his leadership.

If the job of the executive requires a high level of public leadership, extensive dealing

with a legislative body, a large number of outside contacts, or the devotion of much time to evolving a program or to negotiations with other executives, or if his talents do not lie in the management of an organization, a general deputy responsible in the line of command for internal administration will be needed. A permanent deputy position is likewise desirable when the executive post is one that changes with political fortunes. To be sure, it is not possible to have such a deputy in all of the situations where one could be used advantageously. In most city manager cities, for example, it is not often feasible for the manager to share his principal duties. The extent to which public attention is fixed on the centralization of responsibility in the city manager almost precludes the use of a double, although not other types of assistants.

Short of a general deputy, the executive may utilize a principal assistant either as an operating aide or as a chief of staff, giving him varying degrees of responsibility, or he may divide his managerial duties with one or more such assistants in a manner mutually compatible with the persons involved. The specific arrangements must be based upon the systematic analysis of tasks to be performed and of the personalities of the executive and the persons that can be secured to perform them. But even the best possible person will never fill the job as theoretically conceived.

However the matter is arranged, and it will always be difficult to work out smoothly, such assistants must think and act in terms that are appropriate to the organization at large. If they do not deal with matters that cut across the entire organization, they no longer serve as aides to the executive in his general leadership and management job but rather as operating heads of a group of specialized units. They then become preoccupied with segments of the organization and their work does little to contribute to the achievement of balance among the different parts. In the Federal Government, assistant secretaries in the de-

partments are frequently used in this fashion—in the Interior, Commerce, Post Office, and Justice Departments among others. Generally speaking, there has been underdevelopment of the general deputy or assistant type of post I am describing here, in state and local government as well as in the Federal Government.

*Time Saving Procedures.* Apart from the help the executive can get by providing himself with staff to supplement or complement his own efforts, there is much that can be done to save his time if careful attention is given to the way in which documents, information, problems, issues are presented to him.

With a little ordinary care the amount of time the executive need spend on strictly informational material can be reduced to manageable dimensions. Summaries can be prepared for reports, lengthy memos can be briefed to one page, papers dealing with related subjects can be brought together. I am currently using a simple device in my own organization which, though small, is one in which the flow of information is enormous. My executive assistant and assistant chiefs provide me daily with a memorandum entitled "daily intelligence" in which they enumerate the things that have happened that I should know about, matters that have come up which they have arranged for others to settle, and steps they are taking to deal with affairs in which they know I have an interest. I in turn use the same device in posting the Director of the Bureau of the Budget on things he should know about. This is a very elementary but useful arrangement.

The way in which this can be done in a vast organization is illustrated by the manner in which information is packaged and presented to the Army Chief of Staff and other principal officers in the War Department. A log of selected, important messages to and from the War Department and points in all parts of the globe is the first order of business each day and takes from 15 to 45 minutes. This is followed by a

meeting, attended by the Chief of Staff and his Deputy, the Secretary of War, and the Commanding General of the Army Air Forces, at which material on military operations throughout the world and on enemy developments and capabilities is presented and discussed. The data are organized by the Operations and Intelligence Divisions of the General Staff, and the discussion consumes from one-half to two hours. These daily informational routines are supplemented by a comprehensive system of briefing the Chief and Deputy Chief of Staff on all matters on which they must make decisions or on which they should be informed.

The Army also has an excellent system of long standing for standardizing the format and condensing the content of reports. In almost every case the essentials are reduced to a two page memo covering statement of the problem, facts bearing on the problem, conclusions, recommendation. Explanatory discussion, if any, is put in appendices. When action is required, drafts of whatever documents may be necessary to carry out the proposals are attached. This system, referred to as "completed staff procedure," has permitted the rapid transaction of a great volume of business and has made it possible to get comprehensive studies made and implemented in short order.

Governmental executives generally could do much to simplify their lives by insisting upon the adaptation and development of this idea to meet their particular needs. More often than not, full implementation of a plan or recommendation will take a series of steps or actions. Each of these should be set up in a fashion to permit the executive to take action quickly. It is more economical of time for the executive to send documents back for change if need be than to try to make a decision on other than a specific basis. Too often executives are confronted with the statement, "Here's a problem," rather than "I propose that you do this for these reasons."

This process of simplification should not,

however, be carried to the point that the executive is deprived of the opportunity of deliberation on the facts surrounding the proposal with which he is confronted. It is not always feasible nor is it necessarily desirable to reduce proposals to one recommended course of action. When there are non-technical factors entailing judgment and perspective of a level to warrant careful attention by the executive, cut and dried solutions will handicap rather than aid him. He should have the opportunity to consider well thought out alternative recommendations.

#### *How He Communicates His Ideas*

IT WILL not profit the executive a great deal to be a genius in the management of his time, if he does not take steps to forge strong links between himself and the other elements in his organization. In this connection, the mobilization and indoctrination of his team of key subordinates must be near the top of any executive's agenda. When the executives sees to it that the persons in positions of responsibility have been selected and trained for the function of leadership, the way will be open for securing response to new objectives, policies, and methods. Without such a staff he will have a mob, not an organization.

If there is a free and open channel through which ideas and information can move both down and up, the influence of the executive can be felt all the way through the organization. This is not, of course, a one way process. If the executive is skillful he will take pains to develop to the utmost the ideas and suggestions coming from his staff, both because this is the way to strengthen the net product and because only in an atmosphere where there is mutual respect are the executive's views likely to carry their maximum weight.

The kind of person the executive happens to be also has a good deal of bearing on the amount of influence he has. He is a symbol to his organization, and in the case of the higher posts, to the public as well.

His attitudes and actions, both private and public, will have an effect—indirect and subtle perhaps, but nonetheless important—on the attitudes of all within his organization. If his characteristics and actions excite admiration, his staff will unconsciously be motivated to respond to his leadership and ideas. If the contrary is true, the natural reluctance of individuals to adapt themselves to the requirements of organized activity is likely to be thrice compounded.

*Oral Communication.* In small sessions with key officials, the executive has his best opportunity for putting over his ideas. The values of such sessions can be multiplied if, when feasible, the officials primarily concerned with the resolution of an issue bring with them a principal subordinate or two, and if appropriate staff officers are included in important discussions with line officers. Any such devices that will increase the likelihood of cross-fertilization of ideas without setting undue obstacles in the way of the expeditious handling of business should be encouraged by the executive. Furthermore, to the extent that the executive makes the most of his opportunities for meeting with groups of people rather than individuals, he will be able to extend the area over which his influence is directly felt. It is not always necessary for the executive to be present in person for this result to be achieved. One of his staff officers or assistants thoroughly familiar with his point of view and attitude can often represent him.

Meetings of this character are of enormous importance as a means of facilitating the forward movement of an organization. If as issues come to the top they can be thrashed out by the principals involved, all points can be brought out on the spot and the most effective answer nailed down. This speeds the handling of important business, and through the process of dealing in unison on organization-wide matters, the principals get to know each other and how to work together. The more this understanding is developed, the more readily they will team up voluntarily when special prob-



lems confront two or more of them.

*Staff Meetings.* General staff meetings, if well planned and confined to subjects that are of common interest and concern, can do much to aid communication. They can bring about fuller recognition by each individual of his relationship to the larger whole, and the executive can use them to bring about a common perspective and to help him in knitting the organization together. Anyone who has attended an effectively conducted meeting has observed how much more readily ideas take shape and are acted upon when an easy means of exchange is developed.

I do not wish to suggest, however, that general staff meetings are of exceptional importance. They are only one of many tools in the management kit. It is often taken for granted that every executive should get his key subordinates together—the department heads of a city or state government—as a cabinet, at frequent, regular intervals. The only useful purpose of group meetings of this character is discussion of matters of common concern. There is no merit in bringing diverse officials together to consider matters that can be settled in the line of command. In a meeting of departments heads with the governor, any discussion of the welfare director's problems would put the director of public works to sleep. If the head of the agriculture department started to bring up his problems, most of the rest would be bored stiff. The reason for calling key subordinates together should be to dispose of issues requiring their collective judgment.

*Written Communications.* Written communications are a generally understood although not too well applied method of conveying the executive's ideas from one level to another in an organization, and they can be an aid to his long range efforts to develop his institution. In many organizations subordinates down the line are deluged with detailed instructions and regulations on every aspect of institutional life. Failure to credit staff with a certain amount of

common sense and ingenuity will not generate mutual understanding and more likely than not will lead to complete indifference. In either event, the executive is not helped by the result.

On the other hand, there is only too apt to be a grievous lack of well thought out statements issued by the executive outlining specific objectives, schedules of operating requirements, and definitions of responsibilities. However good a job the executive may do in dealing with his principals and however conscientious they may be about passing on the information they get from the top, this will not cover the situation entirely. Written communications are an important supplement in getting to the entire organization the basic outlines of policies and objectives.

As important as it is that policies, and also programs and methods, be translated into clear, written communications, these should not be relied upon to get an essential thought over without the assistance that comes from personal comment on their application. Furthermore, this is the only way there can ever be assurance that staff members read or at least become aware of the written word. Written communications are useful chiefly as a point of departure and serve their primary purpose, after the actual labor of thinking them through is complete, as a basis for a discussion or series of discussions with staff of the ideas or directions contained therein. They are particularly useful for the orientation and instruction of new members of the organization.

### *How He Harnesses His Organization*

MY COMMENTS to this point have been focused on the ways in which the executive uses and extends his personality, ideas, and time. This has largely left out of account the institutional framework through which he must function. None of his personal activities, negotiations, or dealings will amount to much if his institution is not so organized that he can get a firm

grip on it at crucial points and at crucial times.

*Keeping up to Date.* Essential number one is that he must know what is going on in his organization. If he organizes for the purpose, he can keep track of the trend of affairs—weak spots and strong spots, emerging problems, bottlenecks, opportunities for progress. If he does not, he is likely to be at a loss in attempting to pursue a balanced program.

In the normal course of events he will be confronted with a vast array of paper: actions or letters requiring his signature, drafts of orders and regulations, proposed plans of work, reports of inspections or organizational studies, program appraisals, reports of progress, statistical summaries and interpretations, personnel documents, budget and fiscal analyses *ad infinitum*. With the help of his assistants in organizing and controlling these materials they can provide him with much grist for appraisal of the organization's operations.

The picture the executive gets in this fashion will be only a partial one and will lack a good deal of realism if he does not supplement these sources of information with others. Many of the gaps the executive can fill in for himself, through conversations and dealings with his subordinates, and in some fields of governmental work, through inspections. The state conservation commissioner can see at first hand what is being done in the way of development and use of state parks and in the management of state forests. On the other hand, the head of an agency engaged in activities having little tangible or physical expression cannot rely very heavily on this device. A commissioner of internal revenue, for example, cannot learn much about the product of his organization by looking at the files of paper in process.

The executive's personal staff can help keep him posted on what is going on by passing on information that he might pick up himself if he could see more people. What I am referring to is spot news that

may affect the organization and its work, information on breakdowns in the organization, on personnel maladjustments, reactions of particular persons to actions by the executive, new proposals or ideas in the making, complaints with which the executive may have to deal. They may learn of these things informally by contacts below the upper crust of the organization, and they may pick up some of it from conversations with or reports by both staff and line officers. The executive needs to differentiate between the significant and unimportant in this kind of stuff which may often be little more than rumor or gossip. He must keep a check rein on it, and not let it offset the solid help which his general staff divisions can give him directly.

*Staff Divisions.* Perhaps the most important single tool the executive has in harnessing his organization and keeping it in focus is his general staff—the budgeting, program planning, personnel, organization and methods planning divisions. I do not include here service or auxiliary units such as statistical, procurement, and office services, as important and necessary as these may be. Neither do I include here accounting and legal services which, while providing control mechanisms for the executive, are otherwise more akin to the service units than they are to the general staff divisions. It is true, however, that because of personal competence, as well as the fact that they engage in some general staff activity, the accounting and legal chiefs are often used by the executive for a variety of general staff responsibilities.

The staff divisions provide resources for the analysis and development of solutions of problems common to the whole organization. They provide a source of highest counsel and advice on matters about which the executive is uncertain or has reason to doubt the solution offered by an operating subordinate. They provide a general rather than a specialized viewpoint in review both of proposals made by the operating subdivisions and of evaluating the results of the

work of such subdivisions. They can do much to help the executive bring the objectives of the organization into focus and get consistency of action. In addition, the employees of such divisions circulate around the entire outfit and provide one of the most fruitful means of gathering information and of securing understanding and acceptance of policy.

The executive needs the benefit of a group of staff advisers functioning in this fashion to help him in anticipating tasks to be done, in planning to meet contingencies that may be around the corner, in mapping out policy and program, and in working out fundamental organization and methods. Their value depends, however, on the way in which they function. They must stay in the staff role of advising, consulting, and coordinating and must avoid imposing their personal judgment on line officials on operating matters. Staff divisions can become a burden rather than a help if they diffuse the executive's line of command by dipping into operating work and if they insulate the executive from other sources of counsel. That the temptation to move outside the staff realm frequently is not resisted is reflected in the common practice of having a large number of detailed transactions referred to the budget office or personnel office for review, transactions that involve no new policy questions. Perhaps the reason staff officers often insist on this is because it is easier to review the activity of others than to do creative work or because they do not have the capacity to do staff work, or because they have never learned what real staff work is.

The staff divisions cannot fulfill their roles to the maximum if they move off on their own in separate directions. It is, therefore, essential that general staff activities be coordinated with each other. The executive or his general deputy may be able to supply this coordination. Sometimes this can be more readily achieved by placing the staff units under an executive officer or a chief of staff. The various staff elements

can in this way be brought into focus by someone concerned with the management of the organization as a whole, and the total resources are more available to the executive. Furthermore, there will then be less likelihood of nonproductive competition for the attention of the executive, and the number of organizational units the executive must keep track of personally will be reduced.

But regardless of the arrangement, general staff functions must be directed by high level officers who have a considerable amount of free access to the executive, with the executive officer performing a facilitating function and providing the environment in which the executive can most easily tap the reservoir of ideas of the individual staff officers.

*Arrangement of Line Units.* The way in which the executive arranges the subdivisions of his agency or bureau will also have a lot to do with whether he is on top of or at the mercy of his organization. There is much common knowledge of how to organize operating subdivisions, and I shall not go into the question in detail. I should like to comment particularly on the relationship between the way in which the organization is put together and the executive's opportunity to act on significant issues.

For example, a small number of operating divisions will not necessarily mean that the executive is sufficiently free of detail that he can contribute the element of overall perspective and influence. When there are so few or the establishment is so arranged that the executive is walled off from operations by many layers of supervision or the job of harmonizing and coordinating on major issues is pushed down to a subsidiary level, he may become the slave rather than the master.

Related to the question of too few operating units and the layers of supervision that this may entail, is that of the excessive independence that statutory provisions often give subordinate operating officers. When

the functions of major division heads are defined by statute, the top executive is placed under a severe handicap in trying to manage what frequently become independent principalities. I recall the vivid comment of a Federal executive who complained that he had the impossible task of administering a federation of bureaus rather than a department.

In a different category are the complications that may ensue if there is too fine a breakdown of activities. Not only is he unable to hold the separate units within his span of attention, which leaves them floating on their own, but those issues that do reach him may get one sided or unbalanced consideration. Functions need to be so arranged that, to the maximum extent possible, varied points of view will be brought to bear and reconciled at points along the way. In recognition of the dangers of over specialization, up-to-date city health departments, for example, have moved away from the system of organizing public health nursing services on the basis of specialized types of work: tuberculosis, venereal disease, infant care. Units or districts consisting of a group of nurses able to meet varied problems and situations are in large measure self-coordinating and thus reduce the burden on higher administrative positions.

There is another disadvantage in agencies or units set up with relatively narrow functions. If the agency commands the support of a specialized or single purpose type of interest or pressure group, undue influence in one direction may be exerted on the executive, and it will be more difficult for him to keep his organization in proper focus.

Almost all of these dilemmas of internal organization have been faced at one time or another in organizing the housing functions of the Federal Government. In February, 1942, the three major functions of loan insurance, mortgage banking, and public housing were brought together by Executive Order to form the National Housing Agency. In varying degrees each

function has its own clientele including one or more interest groups. If any one of these functions should be reconverted to independent agency status, the executive of such a narrowly based agency would be subject to highly specialized pressures. The executive of a unified housing agency is in a far better position to balance off interest against interest and emerge with a program which reflects the national interest.

Combining the mortgage banking and housing loan insurance functions with all the other loan activities of the Government would be equally undesirable from the point of view of carrying out a housing program. Such a move would facilitate credit policy coordination by the head of the agency but would complicate the job of executives of other agencies operating in the same functional field, as well as subordinate program objectives, to fiscal considerations. The public housing chief could not, under these circumstances, easily reconcile housing credit activities with his program. The purpose of the Federal housing programs is adequate housing for all citizens. Consequently, a permanent agency encompassing all three housing functions holds greatest promise as a method of providing coordinated leadership over a comprehensive group of closely knit housing operations. This solution permits effective executive direction and control. It is for this same reason that credit agencies in the agricultural field have been placed in the Department of Agriculture, those concerned with foreign operations in the Foreign Economic Administration, and so on.

### *Is He a Success?*

THIS discussion has touched on some of the things that the executive can do to harmonize and get the most out of the other elements in his organization. I have emphasized that this is the way that he builds up his influence in his organization and guides it toward its objectives. In closing, I should like to reiterate my earlier



point that although the executive is not likely to succeed if he approaches his organization as something that is his own to command, he is at no disadvantage as he takes up the role of leadership.

The fact that he is the repository of formal authority in his organization is a powerful asset in the business of developing his titular position into one of genuine force and strength. Furthermore, it is up to him at any one point in time to determine the issues which he wants to have referred to him for decision. Although he may not decide much in his organization, quantitatively speaking, his choice of the decisions that he should make will determine how his organization meets its major difficulties. The point is that for the most part, he must depend upon others; therefore to the extent that the entire organization moves within a commonly accepted framework will it develop some speed and assurance in its forward movements.

My comments have been directed in large part toward some of the methods by which this team relationship can be developed. I trust that these may have proved helpful by suggesting some of the aspects of the business of managing a government enterprise beyond those generally taken for granted. All of these devices and sugges-

tions, however, will not prove any substitute for general aptitude in the business of getting people to pull together. The real leader does not consciously rely upon any pat method of exercising leadership and influence. This is something to which he will be sensitive by his very makeup. He will feel the pulse of his organization and will understand it as a whole rather than as a lot of separate segments. He will know whether he understands it by whether it is responsive to him. If he has this sensitivity, even if he is a neophyte, he will soon learn the tricks of the trade. If he doesn't have it, no amount of boning up on what experience has taught us will help him much.

This can perhaps be illustrated by an analogy that is more suggestive than it is accurate. A person making his first public speech has little impression whether or not he is carrying his audience. By his 100th speech he should know. If he doesn't, he is not a real public speaker. If he does, he will adjust his performance in many ways in order to bring the audience and himself into harmony. And so it is with the executive in relation to his organization. A good executive gets the feel of situations by the way in which those with whom he deals respond to him, and adjusts himself and his staff arrangements accordingly.

# The Role of Budget Planning and Personnel as Staff Services

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ADMINISTRATORS and administrative theorists are occasionally astonished to find themselves occupants of the same administrative boat. This juxtaposition may result in much rocking and a capsized craft, especially in the case of the commonly accepted paradox of public administration that personnel management, budgeting, administrative planning, purchasing, accounting, statistics, etc., are all "staff" activities, yet can be placed organizationally and functionally in such a position that they act as a control on operations, semi-independent of the executive. Control is frequently exercised from the vantage point of an independent administrative commission or agency such as a civil service commission, or an auditor's office actually engaged in maintaining accounts. At other times and in the larger governmental operations it is exercised by grouping all or a large portion of the above "staff" activities together into single, major organizational divisions with such catch-all titles as department, bureau, or division of administration and by placing them in a segregated box, always toward the top, though modestly to one side, of an organization chart.

This treatment of the so-called staff services has tended to create a convenient outlet for graduates of professional schools. Career steps are clearly outlined. Also, after becoming practitioners these former students are fortified to meet vicissitudes by the presence of fellow careerists who speak the same jargon, are disturbed by the same

apparent evidences of fuzzy administration by line officials, can offer understanding and sympathy when line officials fail to appreciate assistance proffered, and will aid in the salesmanship necessary to effect a conversion of these iconoclasts. This situation tends to generate *esprit de corps*, and faith in the principles and techniques of administration is thus preserved through constant association between young and old followers of the administrative verities.

However, a grave danger attends this segregation of all things administrative into compartments separate from the program or line activities. It will, if it has not already done so, shatter the concept of service inherent in successful staff performance.

This article is written as a plea for the restatement of the role of personnel and budget planning in administrative organization and operations.

## *The Staff Concept*

THE staff concept is highly developed in Army organization. There it provides a means of assistance to the commanding officer in carrying out his executive responsibilities. As Fayol has pointed out, these responsibilities are for planning, organizing, commanding, coordinating, and controlling.<sup>1</sup> The staff concept not only recognizes that the commanding officer carries total responsibility but also makes possible his discharge of that responsibility.

<sup>1</sup> Cited in Luther Gulick and L. Urwick, *Papers on the Science of Administration* (Institute of Public Administration, Columbia University, 1937), p. 77.

The staff plans and attempts to foretell. It develops specific means of meeting determined objectives; it sees to it that the details of command are effectively executed—that orders and instructions are prepared to ensure putting into effect the broad outline of a commanded purpose, and that orders and instructions are in fact being carried out. However, it acts in the name of the commanding officer and is identified with him.

With this clearly defined and organized assistance to the commander, the commander is free to devote his attention to line operations. He can spend time supervising—in making personal contacts and analyses, if you will. He can review program progress and make the vital decisions necessary to coordinate operations or to alter them to meet changing or unsatisfactory conditions presented to him by his staff officers. Thus, he translates staff recommendations into action through personal relationships with subordinate line command and through field direction.

This clear concept apparently is maintained in the military organization through military discipline, clear lines of authority, and the weight of tradition. In civilian organizations, however, when "staff" functions are grouped within a segregated organizational unit, they tend to assume certain other fixed characteristics which are becoming too prevalent to disregard.

#### *Tendencies in Civilian Staff Units*

**D**EPARTMENTS and divisions of administration and independent administrative commissions are becoming line or operating units in their attitudes and activities. Though these line attitudes and activities may in some instances be generated by basic statutes, they are so common as to become a hallmark of such units, whether evolved from basic statutes or not.

What was originally conceived of as staff assistance to the directing head of an agency in formulating and executing administrative policies is being converted to a state

of active conflict between the so-called staff units and line or operating units. The line director frequently denies receiving assistance toward effective program execution. He claims to receive competitive ideas and programs instead. He feels these staff units are outsiders attempting to influence either his program or method of operations without sharing any of his responsibility. He maintains that they are becoming operating units by their own design, though stoutly maintaining their "staff" function from strongholds of organizational isolation.

In three phases of administration, especially, the segregation of staff services into a unit resembling Kipling's cat that walked by himself presents the greatest possibility of impairing administrative operations. These three are administrative planning, personnel management, and budget planning.

#### *Personnel and Budget Planning as Staff Services*

**W**HEN reduced to essentials, budget planning is program planning, administrative planning provides the structure which gives shape and form to that program, and personnel provides the sinews which make possible its execution. By this definition administrative planning—i.e., the development of organizational and procedural mechanisms to carry out programs—is seen to be a logical part of budget planning, in a broad sense. Consequently, the term budget planning is used in this statement as a sound synthesis of budget and administrative planning.

Even under perfect organizational conditions the relationships between the line units and the units charged with budget planning and personnel management may be precarious at times. Organizational segregation increases friction. Staff units willingly, and even wilfully, tend to become line in attitude and emphasis and to conflict with program or operating units. As examples: this tendency appears in budget planning when a budget-planning staff de-

termines the nature of programs by determining the work program or the amount of funds and the manner in which they are to be expended; it appears in personnel when the personnel office determines the quality and quantity of employees by determining specification standards and content and position allocations without active participation by line supervisors, or by superseding supervisory judgment on dismissals.

To return to the function of the executive, Fayol has defined his work as being planning, organizing, commanding, coordinating, and controlling; Gulick, as planning, organizing, staffing, directing, coordinating, reporting, and budgeting.<sup>1</sup> In either of these definitions personnel management and budget planning comprise fully three-fourths of the function. They are an integral part of the executive's operations. They cannot be separated from him and placed in independent or semi-independent commissions or grouped in segregated organizational units with other staff functions for the sake of apparent organizational simplicity or "safety" from politics.

The executive must operate by assigning these two functions to persons located organizationally in his executive office and reporting directly to him—"staff" in the true sense. They should plan and formulate policies for his determination. They should see to it that details of command are effectively executed. However, they should be anonymous, organizationally, since they act in the executive's name, and he has full responsibility. After review of proposed policies and programs, and of progress following action decisions, the executive must direct his line supervisors to integrate planning in day-to-day operations. He can devote necessary attention to such direction through personal contact only if his staff organization is well established.

At the supervisory level it is hard to

isolate staff and line elements at times. On one point, however, administrators and administrative theorists agree. The greatest load on the first-line supervisor, the one requiring his continued and concentrated attention, is not the production problem but the problem of handling people so they will work effectively and harmoniously as a team. Similarly, the budgetary problem is increasingly acute because the interest, comprehension, and active participation of these same first-line supervisors in work-program development and execution are not enlisted. Yet the people most concerned with these difficulties, the personnel and budget-planning officials, consider the problems as outsiders and are regarded as outsiders by those about whom they are concerned. Actually, in any line supervision personnel operations and budget-planning operations are inseparable from line operations.

#### *Organization for Personnel and Budget Planning*

THEREFORE, to secure realistic programming and to enlist acceptance by line supervisors of the personnel and budget-planning staff functions, they must be placed organizationally within the direct line of administrative command. This recommended organizational grouping requires that the personnel and budget-planning officials abandon their evolving status as independent agents responsible only to their "professional conscience."

Translated into specifics, in an agency of such size as to require separate individuals to handle personnel and budget planning, these persons should be established as assistants to the directing head of operations—or to his deputy when the executive is so fully concerned with policy considerations and external relations that he must delegate the direction of internal operations. They should function in his name and through him. In dealing with line officials they should represent the directing head. They should formulate di-

<sup>1</sup> *Ibid.*, p. 13.



rectives for his signature, submitting action papers with notation of facts, recommendations, and an indication of whether line officials have accepted or disagreed, and for what reasons. This last item is important to assure that the staff assistants (1) function objectively and (2) present all material essential to a decision. They should, of course, give brief, concise statements evaluating disagreements—but the disagreements must be reported factually, without coloring. They should also see that directives and programs are carried into effect, notifying the directing head of progress and deficiencies so he may take the matter up directly with line supervisors.

This type of organization requires: (1) that the directing head be sufficiently broad-gauge to be aware of his problem of direction in its administrative framework and (2) that the staff assistants adhere to the staff concept. If the directing head is not conscious of his role of directing and coordinating line officials, the staff assistants will tend to inject themselves into direct operating relationships with line officials by substituting their wills for the unknown will of the directing head. If the assistants veer from proper staff relationships, relations between the directing head and his line officials will be affected and executive direction and coordination impaired.

In urging that these functions of personnel management and budget planning be brought within the line of operations and attached to the directing head of the agency, two considerations must be borne in mind: (1) All detail operations must be rigidly sheared from these functions and placed with the housekeeping or service functions. (2) The assistants to the directing head, as well as their subordinates, must be firmly grounded in the staff concept and be willing to operate within its self-imposed confines.

As to the first, a staff assistant for personnel will be concerned with basic personnel policies, with recruitment of qualified executives, with the job of training top ad-

ministrative personnel in carrying out program objectives, and with employee-management relations in terms of incentive, inservice developmental, and employee relations programs. He will formulate classification standards, if none are established by higher authority, but will not be concerned with the daily administration of allocations. The assistant for budget planning will be concerned with the over-all organization of the agency and the interrelationships of its operating segments, with the furthering of work programs, with the development of administrative reports to acquaint the directing head with program and problems, and with the inspection necessary to give the directing head assurance that programs are progressing as intended. This involves transferring to the service function the following: (1) budget estimates and controls, which are in conformity with previously agreed-upon policies covering a broad fiscal program in relation to the basic functions of the agency; (2) procedural analysis, work simplification, and detailed organizational analysis; and (3) personnel operations, including interviewing, appointment, and placement services for all but top executive positions; processing of individual classification matters; training for indoctrination or volume training on the job; employee services and welfare functions involving individual cases or in line with program previously agreed upon by the directing head and his line operators; and official personnel records.

As to the second consideration, the staff assistants and the additional, subordinate personnel acting in the staff relationship must represent high-caliber individuals who, though they properly refuse to become involved in administrative detail, must be aware of administrative details in programs which they are recommending. They must consider operating details of programs before presenting them to the directing head for approval, so that he may see not only the aims but the means by which the aims are to be met and be able to evaluate them

accordingly. It is not enough for a staff assistant to recommend. He must be able to present both an idea and the means of carrying it out. Presentation of ideas without consideration of administrative details will inevitably bring the charge from line operators that personnel and budget-planning staffs are not aware of the realities of day-to-day operations.

As a corollary to this second consideration, the directing head must aid his staff assistants by making known to line officials, by word at the inception of the organization and by action as subsequently necessary, that his staff assistants act with his confidence and in his name. He must support interpretations they have given or actions they have sponsored. If he finds that their interpretations or actions no longer reflect his views or planned programs, he should replace them before programs have been altered or relations with his line officials impaired.

### *Illustrations of Organizational Patterns*

**O**BVIOUSLY, the staff organization delineated above cannot be applied according to a rigid pattern. The type of governmental jurisdiction—local, state, or federal; the type of organization—staff agency or program agency (and, in the federal scene, policy-determining and operating agencies in the same program); the size of organization; the presence or absence of field operations; the organizational coverage—total jurisdiction, department, bureau, district or regional office—all these materially affect organization for staff assistance in the office of the directing head. The following specific examples will illustrate various organizational patterns which may be developed in accordance with the basic principles laid down.

*On the Local and State Levels.* The problem in local and state governments is restricted largely to total jurisdictional coverage—i.e., the relationship between the chief executive, semi-independent commissions or boards, and the departments. In provid-

ing staff assistance to the department head, or possibly to the head of a semi-autonomous division within the department (such as an unemployment compensation division within a labor department), few departments are large enough to warrant a greater degree of specialization than a staff assistant for personnel and one for budget planning. Additional staff would exert a pull toward details and, subsequently, toward line operations, which are not part of the staff job. In most departments of a size requiring staff assistance to aid the directing head in his executive responsibilities, one qualified staff assistant covering both personnel and budget planning would be an improvement.

The great need for clarification of the staff concept is in the relationships between the chief executive and the departments. Semi-independent commissions and offices charged with personnel and accounting responsibilities are neither nonpolitical nor, generally, of aid to the executive. Frequently the accountant—normally mistitled "auditor"—is a political opponent. These organizational monuments to the "down with politics" crusades of the early 1900's should be re-faced.

There should be a personnel management assistant to the chief executive of the states and larger cities. He should be concerned with basic personnel policies, with recruitment of top executives, with training top administrative staff in carrying out program objectives of the chief executive (including, as one phase, personnel management), and with employee-management relations in terms of incentive, in-service developmental, and employee relations programs. He should further effective relations between the official charged with administering the formal merit system and the departments. Payroll records and operations should be transferred to the accounting office, which should be responsible to the chief executive. The accounting office should, however, initiate payroll actions only upon receipt of certifications by the

merit system agency, and subject to audit by the latter on its initiative. The departmental or divisional staff assistant concerned with personnel should concentrate on sound placement; on-the-job and indoctrinational training and training of supervisors and executives as necessary to supplement the activities of the chief executive's staff assistant and the merit system agency; and employee services and welfare functions involving individual cases or carrying out programs previously enunciated by the chief executive and his department heads.

In smaller jurisdictions the chief executive's staff assistant on personnel and the head of the merit agency might be combined, but there is danger that such consolidation would result in diminution of staff work in the face of overwhelming operational demands.

The chief executive's budget-planning assistant should be concerned with over-all organization and interrelationship of departments, with the furthering of work programs, with the development of administrative reports to acquaint the chief executive with program and problems, and with inspection to assure the chief executive that programs are progressing as intended. The finance department should handle budget estimates and controls in accordance with established work programs and fiscal policies and make procedural analyses, intra-departmental organizational studies, and work simplification surveys.

In addition to personnel and budget-planning assistants the economic and physical planning body should be recast to permit its operating head to function as staff assistant to the chief executive. Such recasting should not interfere with full use of citizen advisory boards.

*On the Federal Level.* The problem of staff organization in the federal government is, of course, complicated by great size—and its concomitant inertia; by functional complexities and uncertainties; by hierarchical levels and complex organizational structures; by wide geographical coverage

and extensive regional office operations; and by administrative traditions.

Many treatises on staff organization for the President have been produced in the last six years or so, and that subject will not be considered here. However, the problem of organizing personnel management and budget planning as staff services to the directing head of a federal department or agency merits separate consideration.

The directing head should generally be served effectively by the organization for staff assistance discussed initially in this statement. In a federal department, however, the functional program may require the addition of a staff assistant to evaluate and interpret, statistically or economically, over-all program progress and needs. Additional problems affecting this organization are raised by (1) regional office operations; (2) semi-autonomous bureaus or policy-determining agencies within its confines; (3) a large, cohesive bureau which is virtually the center of the department program, though several other small bureaus also carry program responsibilities; or (4) large field establishments which carry heavy operating programs.

*Problems Due to Field Operations.* The presence of regional offices or large field establishments will react on organization for staff assistance to the directing head. Depending on the problems handled and the size of the field organization, the over-all department or agency organization may conceivably be geared for field operations by use of an operating division which relies on program divisions or bureaus as technical advisors; or by coordination of general and specialized field staff at the regional level by generalized field direction, supplemented by technical specialists operating from headquarters; or by direction of specialized programs by headquarters bureaus, with coordination only at the headquarters level. All methods have been tried, but with varying degrees of success. Evaluation of their strength and weakness is not the purpose of this statement. Ex-

perience shows, however, that, in all types of organization for field operations, basic decisions affecting the field must emanate from the director or directing head of the department. For this he must have aid. An additional staff assistant for field operations is desirable.

Staff assistance must be provided at both field and headquarters levels for the functions of personnel and budget planning. In the field, such assistance should be restricted to regional or district levels unless the department is operating a local program of such magnitude as to warrant large state or city offices, or unless it has large operating field establishments. Many field offices will be of such size and have such program scope as to warrant not only separate personnel and budget planning assistants but also small technical staffs subordinate to them. Military establishments are frequently large enough to warrant this staff assistance at the command level and at lower echelons. At headquarters, an additional staff arm is provided the directing head through an assistant for field operations.

*Problems Due to Bureau Operations.* Semi-autonomous or large bureaus or divisions within departments pose other problems in organization for staff assistance which must be considered separately. Basically the semi-autonomous bureau or agency pattern of organization does not materially affect the staff assistant concept for personnel or budget planning. It complicates operating phases. A staff organization for these functions would be necessary at both departmental and bureau or subordinate agency level. When large bureaus or agencies are involved, these same staff assistants would doubtless be needed at the division level. The detailed operating phases, assigned above to the service organization, become entangled in problems

of department-bureau or department-agency relationship. Generally, however, the operating phases for the top departmental offices would be handled by the service organization for that group; for the bureaus, by the service organizations in each bureau. Such detailed liaison relationships with the Civil Service Commission and the Bureau of the Budget as cannot properly be delegated to bureaus should be assigned to the service organization for the top departmental offices.

### Summary

IN CONCLUSION, this article is a plea for re-statement of the role of personnel and budget planning in administrative organization and operations: a plea that processing details be separated from policy phases and that policy matters be brought within line operations. Policy on personnel and budget planning must be subservient, if you will, to the directing head. Policy staff must work through him and in his name. Supervisors, from the lowest to the highest line official, should not assume full responsibilities for personnel and budget planning as a part of daily operations under the benevolent reins of independent staff units. Under such conditions, the line horse may take the bit in its teeth and run away, with the competing staff units futilely tugging at the tangled reins.

Segregated units dealing with personnel and budget planning may lend themselves beautifully to an idea of a career service in administration that will not destroy the purity of personnel and budget planning. It seems clear, however, that for efficient operation these basic and integral parts of the executive's job must be reconstituted within the administrative chain of command as staff services to the directing head of the agency.



# Some Problems of Army Depot Administration

By SCHUYLER DEAN HOSLETT

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Kansas City Quartermaster Depot*

WHENEVER two or more people combine their efforts to promote a known objective, an organization is born. Every organization, as it expands the scope of its functions and increases the size of its staff, creates problems in directing and coordinating the efforts of its members. Quartermaster depots such as the Kansas City Quartermaster Depot, most of which were brought into being by the war or the preceding national emergency, are no exception to the rule.

The quartermaster system of depots may be compared roughly to a business of twenty-two regional supply houses, each with considerable administrative discretion and each supplying part of the vast Army requirements for food, clothing, and general supplies. These depots, concerned with such typical business tasks as procurement, manufacture, repair, and supply, have practically all the problems of business organizations. Public relations activities, for instance, are the counterpart of those of advertising departments; management is responsible for "profitable" operations; and the usual headaches are involved in compe-

tion for labor and in the preparation of numerous forms and reports, as well as in satisfying a great variety of "customers."

With these introductory facts in mind, it may be interesting to explore some of the recurring problems of administration in this kind of organization—an organization under military control, yet employing large numbers of civilian workers and supervisors. I shall comment briefly on certain factors involved in (1) informal organization, (2) formal organization, (3) the impact of orders and commands, (4) the significance of decisions, and (5) the conditions of morale. As will be seen, none of these topics are peculiar to the civil-military organization. The reader is reminded that this paper is merely exploratory; it tries to point up problems, but it does not pretend to treat them exhaustively, or to furnish any final answers. If such easy answers were forthcoming there would be no problems.

## *I. Informal Organization*

COMMUNICATION, the lifeblood of any organization, is frequently thought of as following formal organizational lines or channels. Yet in every organization—and the civil-military is no exception—informal methods and instruments of communication spring up quite naturally. Without preconception, for example, a group of supervisors who habitually eat lunch together create an informal organization and communication system. Half a dozen workers who regularly participate in outside social activities together make up another informal group. These informal groups

NOTE: These observations are personal rather than official. The comments are based on observations at a number of quartermaster depots, but since the writer has had the opportunity of observing the Kansas City Quartermaster Depot most closely, he has drawn specific examples and illustrations from that organization. The substance of this article will be included in a book, *Aspects of Army Depot Administration*, to be published in September, 1945, by the American Historical Company, Inc. The author wishes to acknowledge the help of Colonel Clarence J. Blake, Colonel Bruce E. Kendall, and Lieutenant Colonel J. M. Moynahan, who provided certain ideas and items of information.

have a life all their own. As May Smith says, "There is little doubt that a group thinks, feels, and acts differently from the individual. Groups have individuality, a personality of their own."<sup>1</sup> They create certain standards of conduct for their members and provide certain satisfactions in terms of intangibles—in terms of being "accepted" by the group, of "belonging" to it, of "participating" in it.

As each group meets on and off the job it constitutes a kind of forum where management policies, methods, and personalities are reflected, discussed, and accepted or rejected. What these groups think of management influences the morale of the members and of persons with whom the members have daily contact. In the past, business management has frequently feared and combatted such groups; today, they should be recognized by management as existing, as importantly affecting employee morale, and as part of the normal structure of the organization. If efforts are made to see that such groups understand management policy and methods better, they can benefit the whole organization through developing positive attitudes and promoting constructive suggestions.

Another aspect of informal organization is the tendency for dual lines of communication to develop in civil-military units. The very nature of civil-military organization promotes this dualism: the civilian at the section level may find it easier to work informally through a civilian at the branch level, and so on up the line, while officers will follow formal military channels. Thus informal systems of communication can spring up, sapping the strength of formal systems when they fail to channel important information into the latter.

This dualism extends into the realm of

command also. Theoretically, a chief clerk of a unit is subordinate to an officer and acts only for him. In practice there can be a dual and conflicting source of instruction within the unit: the officer may give instructions of which his civilian subordinate is not aware, and the civilian may give instructions which the officer will not sanction or support. Some of these difficulties may arise when the functions of the civilian and military supervisors come to duplicate or overlap each other. When this is true, a usual procedure is either to define the jurisdiction of each strictly (although the officer is always finally responsible, except in those rare cases where the unit is headed by a civilian) or to take away from the civilian his important order-giving powers. In the latter case the civilian chief clerk becomes solely an advisory aide without responsibility or authority, whose major function may be passing papers to the officer and recommending action to be taken. In larger and higher units, this is a legitimate and very useful function, but in units at or close to the work level it is usually superfluous.<sup>2</sup>

The chief of the storage division at the Kansas City Quartermaster Depot, aware of the problem stated above, some time ago experimented in removing all officers at the section level, leaving civilians alone in charge. There may be other simple and effective methods of eliminating dual channels of communication and command; in any event, it is the desired objective toward which further experimentation of this kind

<sup>2</sup> This discussion touches on one aspect of a very important general problem—the relationship of civilian and military supervisory personnel in its many ramifications. As far as the writer knows there has been no thorough study of this problem, which results from the assignment and rotation of officers as heads of all organizational units. This policy reaps benefits in the variety of experience, points of view, and previous training brought to bear in each position, together with certain disadvantages, such as the consequences in organizational efficiency and morale attending removal of experienced officers and replacement with less experienced or inexperienced persons. Moreover, this policy ordinarily bars civilian employees from positions of greatest responsibility, in the long run affecting the quality and performance of civilian personnel. The whole problem of civilian-military relationships warrants careful study.

<sup>1</sup> *Handbook of Industrial Psychology* (Philosophical Library, 1944), p. 87. For a more extended treatment of informal organization see Chester I. Barnard, *The Functions of the Executive* (Harvard University Press, 1938); F. J. Roethlisberger and William J. Dickson, *Management and the Worker* (Harvard University Press, 1939).

is required before any conclusive statement can be made. Where the condition exists, it is the responsibility of the officer to see that it is remedied, since such influence for change must flow from the superior to the subordinate position.

In fact, the whole tone of an organization is created and maintained by top personnel, primarily by officers and secondarily by high civilian personnel. They set the example and furnish the precedent. One cannot expect the conditions of good morale to be created at the lower levels; it is one of the leadership functions of the executive to provide those conditions.

## II. Formal Organization

**A** PERENNIAL endeavor of progressive management is to simplify organizational structure, to establish clear-cut lines of communication, to eliminate unnecessary units, to create logical functional breakdowns, and generally to streamline the organizational chart. In some instances the desire for a simple chart seems to outweigh the need for proper organization; yet the organization represented by a simple chart may, in operation, prove more complex. We tend to forget that, on occasion, the seemingly more elaborate organization may be the more effective. In one instance at the Kansas City Quartermaster Depot, a unit operating under an organization composed of relatively few levels apparently operated less efficiently than under the later organization which had several more levels of command and decision. While a number of intangibles entered into the situation, it appears that in the second organization proper decisions were accomplished more rapidly in spite of additional channels, in part because the organization was functionally more logical, was strictly enforced from the top, and was set up to correspond to a well-conceived chart, even to the point of physical layout. This is not to overemphasize the influence of organizational structure as compared with certain human factors, for in the second arrangement the leadership

qualities displayed by its head in making the organization work were certainly more important than the mere organizational structure.

Under the first organization too many relatively routine matters for decision originating at the lowest level were referred to persons outside the direct vertical line of communication, since each was concerned with some aspect of the decision. Apparently the function of each unit was not carefully enough planned or the range of responsibility of each unit was not sufficiently circumscribed to prevent undue overlapping. Under the new organization, it is believed that many of the same kinds of decisions are made through straight, or relatively straight, lines of communication.

I am not trying to imply that all matters for decision move vertically or that there should not be extensive horizontal communication on every important matter up for decision, but merely to suggest that for lesser matters the tendency to confine the communication to vertical lines of ascension was an improvement. Also as a part of the reorganization, the span of control was shortened to very workable limits and the number of questions for decision reaching the top was reduced through an effective screening process.

This is not to say, of course, that an overelaborate organization is acceptable. It is the responsibility of higher echelons to refrain from imposing such an organization on lower echelons. Overelaborate organizations require excessive personnel to perform the work load and have an adverse effect on the morale of workers, who see in them something artificial and unnecessary. In the same way, morale suffers if all parts of an organizational structure superimposed from above are created on a chart but are not actually activated. Such manipulations make the organization appear dishonest—and anything that raises questions as to the integrity of the organization and its leaders makes for an unhealthy lack of respect on the part of the worker.

Two other points concerning organization are worth mentioning. The first concerns the need for balance among units at the same level of organization. Take, for example, an organization of several units which is subordinate to a manager particularly interested in the work of one unit. If he allows his personal interest to color his decisions affecting the whole organization, not only is the total accomplishment less but the other units have a ready excuse for their own shortcomings not related to this factor. The top administrator must be almost judicial in his attitude and decision-making.

The second point concerns the advantages of physically duplicating the organizational chart wherever possible. Usually it is impossible to reproduce in physical layout the organizational arrangement shown on charts. But where it is possible (and providing the chart is logically constructed), such reproduction has several advantages. It places all officers and workers in their proper relationship to each other physically, thus influencing proper use of channels of communication, minimizes the distance between units (for walking consumes much time in any organization), helps to point up defects in the flow of papers through the organization, and minimizes the time required to process papers, because of shorter distances to travel.

### *III. The Impact of Orders and Commands*

IT is often stated that business concerns have an authoritarian structure in strong contrast to the democratic character of much of the rest of American life. In a civil-military unit, this feature of business is even more pronounced because of the very nature of the military system. Moreover, the administrative distance between the Secretary of War and the individual worker is immense.<sup>1</sup> This means that the

civilian worker in a military installation bears the impact of orders descending through a highly authoritative and extremely extensive organizational structure.

Business concerns are giving more and more attention to the impact of orders on the first-line supervisors and the workers; in the civil-military unit it is even more important to study this problem, since the person at the bottom of the structure probably has even less upward influence than the average worker in business. As each supervisor in the organization receives an order from above he permits a good deal of its impact and burden to fall upon his subordinates.<sup>2</sup> He expects his subordinates to do certain things to help him comply with the order. But when the order reaches the worker, he ordinarily has no means of lightening the psychological burden it imposes. Here some sort of "compensatory mechanism" for relieving tensions of lower supervisors and workers may be useful.<sup>3</sup> In business, the labor union may sometimes meet this need if management makes the necessary changes to eliminate or alleviate the difficulties brought to its attention by the union. In some plants joint labor-man-

stallation personifies the War Department to the worker.

<sup>1</sup>As far as the supervisory staff is concerned, it seems that in certain situations the military segment of a civil-military unit reacts to orders from above with greater alacrity than the civilian counterpart. Generally speaking, the civilian supervisor's rating on this "reaction scale" may be lower than the officer's because the officer is ordinarily finally accountable and responsible under the Army system of control. The civilian supervisor in a depot, occupying a place in the organization subordinate to the officer, may unconsciously use him as a buffer to absorb some of the impact of each order, direction, or reprimand as it comes down the line. Intuitively he knows that in the final analysis the officer is responsible. This, along with other factors, tends to lower the "reaction rate" of the civilian supervisor, but may give him a certain amount of personal security in the situation.

This is, of course, a general statement subject to many exceptions. For example, aggressive civilians may assume a great deal of personal responsibility and absorb as much of the impact of orders and commands as officers.

<sup>2</sup>See Eliot D. Chappel, "The Analysis of Industrial Morale," 24 *Journal of Industrial Hygiene and Toxicology* 163-72 (September, 1942); Robert N. McMurry, "Management Mentalities and Worker Reactions," 7 *Advanced Management* 165-72 (October-December, 1942).

<sup>1</sup>The title "Secretary of War" probably means little to most workers—the commanding officer of the in-



agement production committees provide a means for channeling workers' reactions to management systems into productive uses through the stimulation of labor-saving suggestions. In the Army Service Forces, the suggestion-box system can provide the same kind of release. Certain types of employee counseling may also relieve some of the pressures generated by workers and supervisors—at least to the extent of allowing the person to get things "off his chest," but preferably stimulating corrective action in the shop or office as well. Needless to say, the "open-door policy" upon which some top executives tend to rely is ineffective, for while the door is open, few walk in.<sup>1</sup> Again, this is a problem requiring extensive study and experimentation.

#### IV. The Significance of Decisions

DURING the past few years the Kansas City Quartermaster Depot has evolved a comprehensive system of written communications, creating a depot publication for every distinctive purpose. The more important of these are *Depot Regulations*, *Depot Memorandums*, and *Depot Operating Procedures*. The basic reference is composed of *Depot Regulations*, which acquaint personnel with depot organization, functions, policies, and rules. These numbered, loose-leaf sheets, easily revised as the occasion demands, are distributed to officers and key civilian employees, who are in turn responsible for passing on the information to all employees under their supervision. *Depot Memorandums* are published several times weekly to disseminate new information and instructions, to make announcements of general interest, and to call attention to matters concerning the efficient operation of the organization. While the matters treated are generally of passing interest, *Memorandums* of perma-

nent value are consolidated into *Depot Regulations* or *Depot Operating Procedures* at the end of each year. *Depot Operating Procedures*, numbered serially, furnish written directions for handling all documents and operations, covering such subjects as how to procure supplies, how to requisition personnel, how to unload a car of merchandise, or how to bale clothing for overseas shipment. The *Procedures* pertaining to paper work state what forms shall be used, who may initiate the request, under what circumstances the request may be made, and who shall approve it. *Procedures* pertaining to the physical handling of materials contain a diagram of the operation, explain the flow of work, and state the number of persons and the amount of equipment allowed for the job.

The importance of such publications is that (1) they improve the information of the organization through clarifying and defining policy, rules, and procedures and (2) as a result, they reduce the number of decisions that have to be made by persons concerned with the subjects covered in the publications. The significance of decision-making has often been overlooked; it is a time-consuming and mentally tiring process which should be minimized. For many persons, the making of decisions, no matter how trivial, is a tiring task, producing definite frustrations and dissatisfactions.

At every level, efficiency is improved when decision-making is reduced. A worker packing miscellaneous items in odd-size cases according to any arrangement he thinks best, for example, obviously can never attain the efficiency of a person packing a standard set of items, in a standard arrangement, in a standard-size case. The first worker must make numerous decisions as to where or how to place each item in the case and which arrangement will best stand hard usage in handling. The second worker, relieved of making these decisions, produces a better end-product at an increased rate of production.

In every organization there should be

<sup>1</sup>For a number of reasons: it usually gains the ill-will of one's supervisor, and there are always assistants in business and in the Army whose job it is to preserve their superior's time for the most important matters and persons. The mere presence of these assistants stops many employees from trying to gain entrance to the top executive.

some systematic means for reducing decision-making; usually a large part of this responsibility is assigned to the management analysis or "control" group, acting in a staff capacity. In improving work performance, these groups must suggest changes in old procedures and ways of doing things that produced definite satisfactions for certain workers. These changes must be made, but they should be made in a manner to disturb people emotionally as little as possible in the process. It is assumed that the new methods, requiring fewer decisions of the employee, will be more satisfying than the old, once adjustment to the change has been made. Thus, an important aspect of control work is insuring that changes are made in a manner emotionally acceptable to the employee, facilitating the creation of new satisfactions to replace those taken away.

#### *V. The Conditions of Morale*

THE word "morale" has assumed a generality of meaning making it difficult to define. Whatever it means, it refers in part to the spirit, zeal, confidence, and satisfactions of people comprising an organization. Its promotion requires both security and independence for every person.<sup>1</sup> One aspect of this security is simply an atmosphere of approval in which employees can work. The "boss" of any group, at whatever level, furnishes this atmosphere in what he does, how he acts, and what he says which may in any way concern his subordinates.

Without an atmosphere of approval, all kinds of negative informal devices are created by employees to protect themselves against real or imagined threats to their well-being. For example, a group of warehouse workers who dislike or fear a foreman may respond to the leadership of one of their own members who protects them in these and other ways: (1) by representing

the group to the foreman, (2) by serving as a buffer for complaints about persons in the group, (3) by taking complaints of the men to the foreman. At the same time, the group may form a "closed corporation" in its work habits, perhaps enforcing a certain minimum pace in the work, devising a system of signals when supervisors are coming, etc.

A second condition of security may simply be termed "knowledge." This means knowledge of general organizational policy and management philosophy; of procedures, rules, and regulations (it is here that a well-developed system of publications is important); of the job—its duties, responsibilities, and place in the organization; of the personal peculiarities of the person's supervisor; of the supervisor's opinion of the subordinate's performance; and, in advance, of any changes which may affect the subordinate.

The third condition of security is consistent discipline. The usual approach to the subject of discipline is a negative one—a statement of what will happen to a person if he fails to perform correctly at the proper time. Yet discipline should mean more than that: it should mean support for "right" actions as well as criticism for "wrong" ones. Every administrator has seen promising subordinates fail when they were placed under persons who were not consistent in their support of the subordinate; the person did not know under what conditions he would be backed up in the decisions he made. Consequently, he gradually came to the point of refusing to make decisions, acquiring instead finesse in "passing the buck," "keeping his neck in," and like practices. On the other hand, there are those supervisors who give unqualified support to "right" actions taken by subordinates, but fail, up to a point, to criticize "wrong" actions. A stream of minor errors goes unchallenged until a major mistake based on the same principle is made, precipitating a stinging criticism which to the subordinate seems totally unjustified. The practice

<sup>1</sup> This discussion is based directly on Douglas McGregor's excellent article, "Conditions of Effective Leadership in the Industrial Organizations," 8 *Journal of Consulting Psychology* 55-63 (March-April, 1944).

of consistent discipline is a difficult art, marked by two extremes of action; but its successful performance is an essential condition of security.

While many administrators accept the idea of security, they are inclined to overlook or undervalue the necessity for independence. When a worker has attained real security in relationship to his superiors, it will be natural and proper for him to seek ways of utilizing his capacities and skills more fully. In doing so, he will achieve greater satisfaction in his work and perform better service to the organization. Supervisors who are fearful of the loss or impairment of their own positions unconsciously check this healthy development since it is a threat to their personal security.

The kind of independence which makes for better morale includes participation, responsibility, and the right of appeal. (Of the three, the last-named is usually the least acceptable to supervisors.) Participation means an opportunity for the subordinate to express ideas and contribute suggestions before action is taken which affects him or his group. Here, again, such instruments as committees, suggestion schemes, and other formal methods come into play, but it is primarily through the immediate superior that a subordinate can participate fully. It is chiefly in this way that the organization acquires meaning for the individual so that he associates himself with it satisfyingly.

A second condition of independence, responsibility, is a correlative of the desire for participation. Part of real participation in a group is the assumption of responsibility for a specific task. This process of granting responsibility to subordinates is a very delicate one, in which both the manner of delegation and the desires, ambitions, and self-confidence of the subordinate enter. Some persons, for example, are content to achieve a high degree of security in a job, performing routine tasks in a highly satisfactory manner without seeking any personal independence through increased responsibility. Others, of course, enjoy new

tasks, thrive on risks, and are eager to explore new fields. Obviously, it is as much poor management to overburden subordinates with responsibilities they do not want to assume as it is to refrain from delegating responsibility and authority to those who thrive on it. There is generally less danger of the former practice, however.

The most controversial condition of independence is the right of appeal. This simply means that on the occasions when subordinates differ sincerely and markedly with their supervisors over important questions, there should be some method of appeal to a higher level in the organization. In the good organization such appeals will be used rarely. At the Kansas City Quartermaster Depot an officer may appeal the decision of his immediate superior to successively higher levels of authority to the commanding officer. The same right should exist in any organization, for any person. It is something apart from a job grievance procedure; it is concerned rather with differences of opinion on substantive issues.

The achievement of conditions of security and independence, as well as the development of a rational approach to the other problems posed in this paper, requires some sort of continuing emphasis throughout the organization. In every unit the attitude, conduct, and example of the leaders will tend to set the tone of the organization. But added emphasis on problems such as those discussed may be obtained in a number of ways: through informal staff meetings of top management, through educational programs for middle supervisors and workers, through suggestion systems and publications, and through some method of ascertaining employee attitudes and feelings—all these can contribute to the improvement of the human relations aspects of the organized activity. Such problems as these are, after all, among the most basic considerations in administration, to which successful managers are devoting more and more time, talent, and thought.

# More About Gobbledygook

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## I

**I**N A recent editorial in the *Washington Post*, the language of Big Government is described as "seeping down from the higher echelons and executive levels into every-day talk. Sometimes," the writer says, "we catch ourselves about to coordinate our intra-family affairs, or process a grocery bill, or activate the car, or implement one of our wife's directives."

The passage is typical of the way most people feel about government language: they consider it a quaint and amusing dialect, characterized by the addiction to five-dollar words like *activate* or *directive*. To them, the cure of this harmless speech defect seems easy: simply strike out the high-sounding words and replace them by simple synonyms. Or, as Mr. Maury Maverick put it in his now famous memorandum: "Stay off gobbledygook language. It only fouls people up."

Oddly enough, such exhortations never seem to have any effect. Bureaucrats go on using bureaucratic language, and even Mr. Maverick himself was recently caught red-handed—and red-faced—talking glibly about the "implementation" of something or other. What is the reason for this seemingly incurable habit? Is it something in the climate of Washington? Is it part of a plot hatched by New Dealers, as some people seem to believe? Or is it, as Donald Stone suspects, "an attempt to make administration sound mysterious, difficult, and complicated? Does it spring from the prevailing reverence attached to something 'technical'? Do officials think they will dignify their status, perhaps securing higher

civil service classifications, if they place an impenetrable veil of words over their work?"<sup>1</sup>

Obviously, none of these explanations are adequate. Obviously, any attack on this deep-seated, universal habit of government employees must start with a thorough analysis of the linguistic symptoms of officialese and a search for the causes of these symptoms. In other words, the evil of bureaucratic jargon, like any other evil, can only be eradicated by the painstaking application of scientific methods.

Many will doubt the necessity of this eradication. Officialese may be ugly or even ridiculous, but, they will say, it is the traditional, dignified language of government bureaus, people in and out of the civil service are used to it, and, in fact, it is now part of our system of government. To use everyday language in official documents would seem radical to civil servants, uncouth to diplomats, and maybe even treasonable to Army and Navy officers.

But there is an answer to that kind of objection. The style of government communications is not simply a question of outward form; it is part and parcel of the substance of government. If officialese were merely a problem in aesthetics and literary taste, then the indifferent attitude of administrators would be understandable and even justifiable. But language goes far beyond that in its effects. Compliance may hinge upon the proper wording of regulations, appropriations may depend upon effective

<sup>1</sup> Donald C. Stone et al., *Washington-Field Relationships in the Federal Service*. (Graduate School, U. S. Department of Agriculture, 1942), p. 21.



reporting, public good will may be created or destroyed by the editing of informational material. One government agency, the Bureau of Internal Revenue, became the butt of innumerable jokes because of the style of its forms and instructions; another, the Office of Price Administration, furnished a stock argument to law-breakers by the complexity of its regulations. And—contrary to prevailing opinion—style is not only important in publications for the citizen-reader but even more essential in internal government communications. Complicated field instructions cause misunderstandings, delay action, and quite often are not applied at all. Formal, overdignified reports cover up mistakes, hide achievements, bury important facts, and hinder purposeful action. All in all, the cost of bureaucratic jargon in government time, effort, money, morale, and good will is incalculable.

It has been estimated that a page in an official memorandum that would take an average person two minutes to read if it were written in plain English requires at least twice that time and reading effort if typical bureaucratic language is used. Throughout the government, this wasted time and effort—the memos, calls, and trips needed for interpretation, the man-hours spent in explaining written “explanations” to the public, the extra paper and printing, and the general workload involved in dispelling all this linguistic fog—add up to a staggering total. From this realistic viewpoint, the literary aspects of officialese are negligible compared to the challenge it offers to effective scientific management.

## II

LET US take two random pieces of officialese and put them under the linguistic microscope. Here is a paragraph from an OPA regulation:

The provisions of this Maximum Price Regulation No. 225 shall not be applicable to any persons engaged primarily in the business of publishing, printing, typesetting, platemaking, binding,

or rendering related services, or any combination thereof, whose total gross sales in 1941 of printed papers and printed paper products and services in connection therewith did not exceed \$20,000. This exemption, however, shall not apply to any person who was not engaged primarily in any of said businesses, or any combination thereof, throughout the calendar year 1941. Such person shall be subject to the provisions of this regulation unless and until he shall have been primarily engaged in one or more of said businesses, or any combination thereof, for an entire calendar year, during which year his total gross sales of printed papers and printed paper products and services in connection therewith did not exceed \$20,000.

And here, for variety, is a passage from the *Forest Service Manual*:

When the separation of a permanent employee is necessary because of misconduct or inefficiency which does not justify his dismissal, if he is willing to resign, he should be informed in writing of the respects in which he is deficient, and at the same time that before final action is taken he is entitled under the law to have charges preferred against him and an opportunity to answer them; that without prejudgment of the case the usual course of charges and answer will be pursued if he so prefers, but that, in view of his previous record, if his resignation is voluntarily tendered, its acceptance by the Secretary will be recommended; that on the other hand, if he prefers not to resign he will not be prejudiced thereby; that a recommendation will be made to the Secretary that formal charges be preferred against him; and that if this recommendation is approved and such action taken, he will have an opportunity to submit a full answer to that charge, the answer being considered on its merits by the Secretary before a conclusion is reached.

Hardly anybody will deny that these two passages are outstanding examples of bureaucratic jargon. What makes them so? Obviously not the use or overuse of big, five-dollar words like *activate* or *implementation*: there are no such words in either passage. The only words used that are not in the ordinary person's everyday vocabulary are a few innocuous legalisms like “prefer charges” or “therewith,” whose replacement by “bring charges” or “with it” would certainly not spell the difference between jargon and plain English. What then is there under the surface that pro-

duces that strong, unmistakable official flavor? This is a question for specialists—not specialists in government but specialists in language and writing. Its most intelligent recent discussion is to be found in a chapter on the use and abuse of official English in a handbook for writers by Robert Graves and Alan Hodge, a novelist and a poet.<sup>1</sup> Graves and Hodge stress three basic traits of official English: it is overexact, overabstract, and overimpersonal. It is overexact in its habitual use of block phrases (like "persons engaged primarily in the business of publishing, printing, typesetting, platemaking, binding, or rendering related services, or any combination thereof") and qualifications (like "calendar year" or "previous record"); it is overabstract in its ingrained preference for the general word ("persons," "products," "services," "action," "conclusion"); it is overimpersonal in its principle of oblique reference to people ("any person," "such person," "a permanent employee," "acceptance by the Secretary").

Thus, by being overexact, overabstract, and overimpersonal, plain English is transformed into what Graves and Hodge call the "humble, polite, curt and disagreeable" official style. Take a simple sentence like "I love you" and it becomes "Complete assurance of maximum affection is hereby implied."

The absurdity of this example stems, of course, from the fact that it expresses a private sentiment in public language. Officialese is the language that is farthest removed from the basic pattern of human speech—face-to-face talk: it is group writing for group reading. The writer of a love letter is free to express himself as simply and directly as he can; the government official writes under and for a hierarchy of supervisors and reviewers, and to a large distant mass of readers. If he is less than overexact, somebody along the line will catch his "oversight" and insert all conceivable

qualifications; if he tries to get away from the repetitive pattern of block phrases, somebody will think them indispensable and put them in again. After some time, even the most critical-minded government writer will fall into step and read and write things like "his previous record" or "the calendar year 1941" without blinking an eyelash. He may not use this language in private or in his own correspondence, but he will use it when he sits at his desk because, being human, he will want to conform with the rules of the organization of which he is part. It does not matter that government offices have no written rules prescribing the use of their established jargon: folklore, general atmosphere, and a few pencilled corrections by the supervisor will do the trick.

The overexactness of the official style can be explained, of course, ridiculous as it often is. The business of government is the making of rules—and rules, by definition, are general statements to cover specific cases. Ordinary talk may get along with rough generalizations and approximations; but laws and rules have to deal with every conceivable case, which includes the exceptional and the singular. This is what gives officialese its peculiar distortion and lack of focus; this is why it forever "accentuates the negative" and the exception. "The provisions . . . of this regulation . . . shall not be applicable . . . to persons whose sales . . . did not exceed \$20,000. This exemption, however, shall not apply to any person who was not. . . ." Four negatives piled upon one another—in a country that is forever wrestling with the double negative! No wonder officialese is unpopular.

Its overabstractness, too, can be explained. It too is related to the government writer's job as a cog in an enormous machine. He simply cannot talk about things "as man to man." He cannot mention a fellow employee's being fired—he has to write about his "dismissal," which makes a highly personal affair just another personnel action. And he is impersonal for the

<sup>1</sup> *The Reader over Your Shoulder: A Handbook for Writers of English Prose* (Macmillan Co., 1943).

same reason: he has learned that government writing is the art of not becoming involved. He has learned never to mention himself, never to mention the person he is talking to, and, wherever possible, to use that splendidly impersonal device, the passive voice. "If this recommendation is approved and such action taken. . . ." By whom? On whose recommendation? Against whom? Yes, the answers can be found somewhere; but on the surface, government recommendations and actions are fully-government-machine-made products, untouched by human hands and minds.

And so, under tremendous pressure from all sides, government prose is being written, an endless stream of blundering, inadequate, misshapen documents: reports that lack concreteness, instructions that lack directness, memoranda that lack clarity. Top executives usually dislike the style of their agencies and would like to see it changed; but they are helpless against that great middle layer of administrative officials who are actually in charge of matters of this kind and who defeat every such effort by simply ignoring it. No wonder: these people are conditioned by decades of civil service, settled in their ways, and suspicious of new methods. Moreover, their generation learned to write when the now outmoded nineteenth-century tradition was still strong, and they have never had any experience or interest in writing since. They have never heard of that bible of today's professional writers, Fowler's *Modern English Usage*,<sup>1</sup> and they would be honestly surprised to read that "in connection with" is used by the worst writers, "from sheer love of verbiage, in preference to a single word that would be more appropriate," or that the word "which" in a phrase like "misconduct or inefficiency which does not justify his dismissal" implies that neither misconduct nor inefficiency ever justify dismissal, and should therefore be replaced by "that." And they certainly would shrug

their shoulders over even subtler faults of rhetoric, like the indiscriminate use of "shall not be applicable" and "shall not apply" for the same meaning, or the use of the words "to prefer" with two different meanings ("charges preferred" . . . "if he so prefers") in the same sentence.

Because of their profound indifference, bad writing pervades government service from the top down and, by a kind of Gresham's Law, gradually displaces all remnants of straightforward, vigorous prose. Under these circumstances, it seems fatuous to rely on pious New Year's resolutions for the restoration of plain English in official use; the vast array of social and psychological forces against it can only be conquered by a far-reaching, carefully planned campaign.

### III

THE first step in changing any bad practice is to create awareness of its ill effects. Government officials, who after all are in the business of government rather than writing, first have to be shown whether the language used really makes any difference to the reader. Fortunately, techniques are now available to do just this. For some time, educators have been perfecting tools for the objective measurement of reading difficulty, and these tests can be easily applied to government material. In fact, a "readability formula" I developed originally for use in adult education<sup>2</sup> measures specifically those style elements that characterize bureaucratic jargon: overexactness and abundance of qualifying phrases and clauses is gauged by the length of the average sentence; overabstractness is tested by the ratio of prefixes and suffixes; and impersonal style is measured simply by counting the number of names, personal pronouns, and other references to people in the text. In its "statistical profile," a typical government document compares with scien-

<sup>2</sup> See my *Marks of Readable Style: A Study in Adult Education* (Bureau of Publications, Teachers College, Columbia University, 1943).

<sup>1</sup> Oxford University Press, 1926.

tific writing in its impersonal style, with a college textbook in its abstractness, and with nothing in its long-windedness and overexactness. (The average modern English sentence has about twenty words; the average government sentence has forty to fifty.)

The practical significance of such tests is obvious. They furnish objective evidence that the mass of government writing is incomprehensible, not only to the average American with his eight-grade education, but also to the better-educated average government employee. They also make it possible to spot in advance monstrosities like the first example I quoted, which have to be laboriously deciphered even by seasoned government lawyers. To be sure, readability tests cannot uncover any new facts about writing; but they offer a handy "self-service" of criticism and diagnosis.

It is possible to go on from there and formulate a few basic rules for avoiding jargon: Use short sentences. Get rid of words with prefixes and suffixes. Mention the people you are talking about. Use active verbs. Avoid unnecessary repetition. Avoid compound prepositions. Stress the rule rather than the exception. Avoid negative statements.

It is also possible to demonstrate the validity of these rules by translation of jargon into English. A simplified version of the first example given above might read:

This regulation applies to you if you are a publisher, printer, typesetter, platemaker or binder, but only if that is your main business and you make more than \$20,000 a year. The year that counts is 1941. . . .

The second example, made readable, might start like this:

Suppose one of the permanent employees behaves or works so badly that he has to leave the Department, but you have no grounds for dismissing him. Here is what you do:

First ask him whether he wants to resign. If he does, write him a letter. . . .

In this fashion, bureaucratic jargon could be systematically abolished. How this is to be done, however, in view of all the forces that work in the other direction, is another question indeed. Here are a few tentative answers:

1. The simplification of written communications should be recognized as a problem of management efficiency.
2. In-service training in writing should be shifted from letters and the like to the most widely read written communications within each agency.
3. The editorial skill of information specialists should be systematically utilized to improve the style of memoranda, reports, field instructions, etc.
4. Readability standards and planned editorial formulas should be worked out for each type of communication.
5. Tests should be used periodically to measure the effectiveness of written materials.

From such a program, a planned, effective, and yet dignified bureaucratic idiom would gradually emerge. Today, we use an official style derived, in the words of Graves and Hodge, "partly from that used in Byzantine times by the eunuch slave-secretariat . . . and partly from the style used by the cleric-bureaucracy of the Middle Ages." Surely the democratic government of the United States can learn to use a more suitable language.



# Don't Shoot the Piano Player!

## Administrative Planning for Poland

By JAN KOSCIOLEK and Others

IN VARYING degrees all the nations of the world face problems of reconstruction following the war. Many of them are planning improvements in their administrative structure along with economic and social rehabilitation. While President Truman has asked for authority to reorganize the administrative machinery of the United States to meet the challenge of the postwar period, it is the countries formerly occupied by the enemy that face the really titanic jobs of reconstruction.

In Poland the Germans not only tried to destroy the people and economy of Poland but actually erased the administrative organization of the Polish government. For this reason the Polish government in London found it necessary to establish a Ministry for Reconstruction of Public Administration to make plans for the reestablishment of national administration in Poland. The Ministry has not, however, aimed at resuming the *status quo ante* but has objectively examined the faults of prewar Polish administration and sought to remedy them. It is understood from news dispatches that the Ministry and the results of its work will become a part of the newly formed national unity government in Warsaw.

The third volume of the "Reports" of the Ministry has reached America through Mr. Jan Kościółek, a member of the Ministry, who has been in correspondence with administrative specialists in this country for several years and who has diligently explored the literature in the United States and other countries, as is evident from the bibliographies appearing in the "Report." The volume contains English summaries of its articles which are reprinted here, primarily because the articles exhibit the results of a careful study of administrative problems that are expected to be faced in a reconstructed and a liberated nation, and secondarily because of the intrinsic value of their content. The articles are written within a frame of reference in many ways quite different from the American and the problems of governmental administration will be many times more difficult in the postwar period for Poland than for the United States. It is therefore noteworthy that these articles indicate a real feeling for democracy and a technical approach not at all dissimilar to our own.

The first article is concerned with the problems faced by "Superior Officers (Managers) as Supervisors." The impulse to publish the heading of the article as it appears in Polish with its introductory quotation in English is irresistible:

Jan Kościółek.

### KIEROWNIK JAKO PRZEŁOŻONY.

"The urge to 'shoot the man at the piano' often arises not so much from the demerits of his performance as from dislike of the tune."

(Report of the Committee on the Training of Civil Servants, May, 1944, London.)

The summary of this article and the others contained in the volume follows *verbatim et literatim*, since it is believed that the very slight Polish accent to be observed in this English summary will in itself prove interesting to American readers.

### SUMMARY

Jan Kościółek: *Superior Officers (Managers) as Supervisors*

THE smooth working of an administrative department depends on its being provided with the following fundamental prerequisites:

management, internal organisation, a working team to the aid of the manager, as well as material equipment. To put management in the first place is not without purpose. The management is the brain and the engine of

the whole organisation. From the proper relationship between the manager and the team of assistants working under his command depend the results which the department as a whole can attain. Seeing that some managers do not attach much importance to this question, the writer will endeavour to show, with the aid of examples, that such an attitude is wrong, and that, consequently, it has to be revised completely. The ability of creating a team spirit in administrative institutions is considered nowadays a kind of "secret weapon," through which difficulties on the way to the desired results are overcome, and through which the percentage efficiency of the individual employee is increased.

The art of management consists of the ability to reconcile the interests of the service with the personal interests of the subordinate employees. This task can only be fulfilled if the manager possesses a certain number of personal qualities, the foremost of which is the ability to handle the staff in such a way as to ensure the mobilisation of all potential forces at his disposal. This ability cannot be acquired mechanically together with the promotion to the post of manager.

The tasks of managers are two-fold. First, the tasks entrusted to the department, and laid-down office regulations have to be carried out. Secondly, the man-power put at the disposal of the manager should be so organised as to allow for the execution of these tasks in the best possible way. Some managers show a tendency in their daily work to take into account only the first point, and to forget about the second. It is that which often causes their failures. The part the manager has to play is complicated and difficult, for he is, at the same time, the link between his superior authority and the team working under him, and in this capacity he must endeavour to keep a balance. The manager should feel himself responsible not only to his superiors but also to those who work with him. Whereas the first kind of responsibility is expressly laid down in the institutional regulations, the second kind rather belongs to the sphere of unwritten law. The manager should realise that it depends on his relationship to those who work with him whether he is going to remain their superior in the formal sense, or whether he will become their actual leader

by gaining their confidence. As their superior the manager is closely observed by his collaborators; every step he takes is subjected to their keen judgment, and whether he gains their confidence depends on whether he acts impartially, understandingly, and in a spirit of fairness to them.

The manager who wants to guide the minds of his collaborators in the desired direction must first of all master his own will. As the moral leader of those who surround him he should act fairly, and develop his good qualities. He should also remember that the collaborator on seeing devotion to the duties of the service in the manager will feel compelled to the same devotion himself, and will understand that the foundation of service in public administration is, before everything else, duty.

There are several types of managers. Two of them are most often to be found: despots and leaders. Unfortunately, the former seem to maintain themselves in the majority. This explains not a few of the sins of the Polish administration before the war.

The despot, the autocrat, is a relic from the administration of the times of foreign conquest. This type of manager does not like to take individualities and subtle qualities of the human soul into account. Concerned only with himself, and his formal rights, he uses methods of indiscriminate pressure, a system which came to us from the fatherland of "Halsbandmethoden."

The leader realises the inborn capability of the human mind to react to suggestions of authority under the condition that the authority act in fairness, *i.e.*, showing consideration for the individual. The leader will refrain from underlining his superiority in the administrative hierarchy at every step, and he will use the privileges of his position only when all other means are exhausted. Whereas in the office of the autocrat there is an atmosphere of mystery and uncertainty what to-morrow will bring, in the office of a leader the aim and substance of the work is known to all concerned, there is understanding between management and subordinates, enthusiasm for work can easily be awakened, and all those who work in the office have the feeling that they take part actively in the work of the office.

There can be no doubt that the proper type

for the public administration of our times is the leader. The administrator in a leading position at the present time, who takes care unremittingly of moral values and who gains confidence, increases his assets because he realises the enormous reserves of physical and intellectual capacity, which are left used incompletely in our present conditions. The manager-leader will not only be interested in matters actually concerned with the official duties of his subordinates, he will also take a keen interest in their private aspirations and problems, he will help his subordinate to develop useful aims and to solve the problems, which disturb his peace of mind. As the proverb says: He that is master, must serve.

The manager is expected to show a well-developed technique in handling management. He should use such methods as will favour an atmosphere of devotion to the duties of the service on the part of the office workers, and which provide an incentive to effort, being in agreement moreover with the exigencies of team-work based on confidence.

This concerns particularly the methods of giving orders, showing appreciation and pointing out mistakes, discussing matters in hand, and generally handling the staff tactfully. All these questions should be thought out and understood by candidates for leading positions in public administration.

During our stay in Great Britain we have the opportunity to observe the cultivation of proper relationships between superiors and subordinates. The secret of the authority enjoyed by the English Civil Servant and policeman lies in the fact that the superior treats the man working under his command in the same way as this man has to treat the citizens. A social and democratic attitude inside the governmental machine is the condition of healthy development in Public Administration.

The problem of management in public administration deserves to be incorporated into the study of administration as well as into the programmes of courses of instruction for future civil servants.

*R. Hausner: Polish Extra-Parliamentary Legislation*

THE Polish Republic came into existence at the end of 1918, by the union of territories

which, for a century and a-half, had remained under Austrian, Prussian and Russian occupation. From these three states Poland took three different legal systems, controlling social, economic and cultural problems in a manner suited to the respective policies and interests of the three aggressive powers.

Great heterogeneity of rules, due to the accumulation of a long period, made this legal position still more complicated (among other things Poland inherited four civil codes). There were also a number of rules which instituted special privileges unfavourable to those of Polish nationality.

The Polish authorities which took over the administration of the country were faced with an immensely difficult task, rendered the more difficult by the fact that they were taking over a country devastated by a war that had lasted four years, and that they had to apply themselves at once to the organisation of their own administration, as well as to the re-building of villages and towns, means of communication, industrial works, schools and hospitals; and that they had also to fight against epidemics and the threat of hunger. In these circumstances, legislative activity had to be divided into two stages: (1) the immediate programme relying on the issue of emergency regulations which were indispensable in dealing with the problems of the day; (2) a further programme, having in view the unification of the legal system within the State as a whole, in order to replace the alien legal systems by its own legislation.

Bearing in mind the fact that the legal codes inherited from Austria, Prussia and Russia were in force for nearly 150 years, and had penetrated deeply into the life of the Polish community during the occupation, the Polish Parliament did not consider it either possible or desirable to abolish these codes, fearing to expose the national life to a serious shock, but aimed at achieving uniformity of the law by means of evolution. Experience showed that, in the carrying out of these two programmes—the immediate and the further programmes—their size outgrew the technical possibilities of the normal legislative apparatus, i.e., the Polish Sejm (House of Representatives), which sat as a "Constituanta", and, at the same time, had to formulate the cardinal act of state organisation, that is, the

Constitution. Therefore, the Sejm was compelled to pass only the framework of bills in certain spheres, authorising the government to develop them further, and even transferring the regulation of certain problems to the executive, by delegating its legislative powers, so that the rules and regulations made by ministers had the same effect as if enacted in the Act.

The author analyses this question of delegated legislation, as well as the question to what degree after the end of the war the Polish Parliament will have to yield to the necessity of delegating legislative powers and de-concentrating legislation by the extension of the autonomy of local government.

*Dr. Stanisław Fischlowitz: Brazilian Reform of Public Administration*

**A**FTER working from 1942-1944 in close co-operation with the principal body in the Government of Brazil, a body responsible for the public administration of that country (DASP), the author bases his picture of the most recent achievements of the fundamental reform of the Brazilian Public Service on personal observation.

In his estimation, Brazil, in the last six years, thanks to the personal initiative of its President, has successfully carried out an extraordinarily comprehensive and far-reaching programme of reconstruction of the Federal administration, which, at first sight, offers a striking contrast to the background of the entirely backward and under-developed system of administration which formerly existed.

After the first tentative preliminary steps in this direction had been taken between 1936 and 1938 by the Federal Council of Administration, a special Department of the Presidency of the Republic—the Administrative Department of Public Service—was entrusted with the preparation and execution of all measures connected with the rationalisation of Brazilian administration.

The author emphasises the particularly original solution adopted by Brazil, namely, the selection of civil servants by means of a system of competitive examinations, which differs considerably from the procedure adhered to by the Civil Service Commission of Great Britain. As a result of the recruitment of candidates for all positions in the civil

service in this way, according to the provisions of the Constitutions of 1934 and 1937, there was an obvious improvement in efficiency in many branches of public administration. The author illustrates this point with some notable examples, referring, for example, to the high standard of the work of the Brazilian Public Re-Insurance Institute, charged with the task of carrying out an unusual system of the re-insurance of private insurance companies.

Some details of this system of selection, however, may be subject to criticism.

In view of the great and ever-increasing responsibilities of modern administration, the post-war functions of which will be on a much larger scale, the author considers that a more scientific approach to problems of public administration will be justified. In his opinion, progress in this direction is all the more interesting for Brazil, because in the last decade the previously rather limited sphere of the activities of its government has been considerably enlarged. At the same time great attention is being paid to the training of public servants; in this, as in many other fields, there has been close co-operation with the United States of America for many years.

The government tries to maintain an even balance between the level of remuneration of public servants and the wages of corresponding classes of salaried workers. The same applies to various social protective measures, such as social insurance, compensation for professional risks, family allowances, etc., which, because of Brazil's active social policy, play a particularly important part.

The rights and duties of established civil servants were defined by the Statute of the Federal Servant, laid down on October 28th, 1939.

The distinction between the higher position of the established civil servants and the lower non-staff employees (supernumeraries) tends to become less marked with the progressive extension to the latter of many advantages hitherto reserved for the former of these two classes.

The figures of the budgetary positions, and, in particular, the difference between personnel and other expenses, prove the positive results of the reform in administration despite the comparatively short period of its application.

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Analysing all local difficulties which hamper the full effects of the reform the author expresses his firm belief that further activities of the DASP, headed by its President, Dr. Simoes Lopes, will provide Brazil with one of the most efficient contemporary systems of public administration, a system which will contribute greatly to the general progress of the country to whom a promising future seems to be assured.

*Michał P. Pawlikowski: From Problems of Judicial Control of Administration*

THE author begins with a short historical review in which he describes the evolution of public administration. He shows how this administration has progressed from the time of the entirely discretionary working of its organs, when matters were not controlled by any impartial factor, to the modern state, in which the idea of judicial control of the administration is constantly increasing and in which the so-called "discretionary powers" of the administration have remained merely as an indispensable minimum.

Dealing with judicial control of the administration the author emphasises the idea running through the article, namely, to quote a practical example, that a citizen who seeks legal protection against an abuse or damage caused by an executive authority (public administration) does not necessarily demand that this control of the administration should be exercised by a court normally concerned with the work of judging (ordinary court). The citizen is mainly satisfied with the fact that the body determining the case between him and a public administration authority should be invested with the powers enjoyed by all judges in civilised, democratic states—that is: a) freedom from outside interference, and particularly from that of the public administration; b) irremovability from office, and c) judicial immunity.

The author therefore considers that the question whether the body should be termed "ordinary" or "administrative" court, or should be given another name, e.g., *Conseil d'Etat*, as in France, is a matter of secondary importance. The whole point is that this is, a "real" court, that is, a body endowed with the three qualities mentioned above.

The author then makes a survey of the

systems of judicial control of the administration in England, the United States of America, France, Germany and Belgium, and then dwells at length upon the system in Poland. In describing the various features of the Polish system the author points out that, except for a number of lower administrative tribunals in the Western Provinces, there was the system of one supreme court of cassation dealing with appeals against final administrative decisions purely on points of law. This was the Supreme Administrative Tribunal, organised on the former Austrian pattern. In his analysis of the Polish system, the author emphasises the fact that although this system was based on the "continental" idea of special administrative jurisdiction, the ordinary courts, nevertheless, played a greater part in controlling the administration than is generally supposed. The ordinary courts functioned concurrently with the administrative tribunals, but quite independently of them.

The competence of the ordinary courts in these matters may be classified under three heads: a) the ordinary courts dealt with litigations between citizens and public administrative authorities in all cases arising from contracts concluded on the basis of private (common) law, as litigations between two private individuals (in contrast to France, where certain litigations arising from contracts concluded between the citizen and the public authority were settled by the administrative courts); b) the ordinary courts made the final decision in appeals from criminal administrative sentences (in Poland the majority of petty offences were examined in the first instance by administrative authorities, acting as magistrates or police courts); c) finally, the ordinary courts made the final decision in certain parts of administrative procedure; for example, they decided the amount of compensation for compulsory acquisitions for public use of private property (the decision for the necessity of expropriation as such rested with the Administration, or in the last instance, with the Administrative Tribunal).

In dealing with the necessity for reform of the existing Polish system the author states that its gravest defect was the slowness of its procedure. The mere fact that the Supreme Administrative Tribunal acted as the sole body of first and last instance meant that it

could not cope with the enormous number of cases, which therefore it sometimes took five years to settle. The author therefore suggests the setting up of regional (provincial) administrative tribunals of a lower category. These tribunals would act as courts of appeal, i.e., they would examine ordinary cases of appeal on questions of fact (that is, those cases at present examined by the administrative authorities of a higher grade, i.e., those hierarchically next to the one making the original decision). The litigant will have the right to choose whether his appeal shall come before the lower administrative court or the higher administrative authority. The Supreme Administrative Tribunal would remain the highest court of appeal and function solely as a court of cassation, which can either confirm the contested decision, or annul it and send it to a lower administrative court or authority for renewed consideration, but cannot modify or amend it.

Another defect in the Polish system—pointed out by the author—is the hypertrophy of discretionary power given to public administration by administrative law. As cases, whose decision rests with the discretion of the administrative authorities, are not permitted to go before the administrative tribunal, the author proposes a general revision of the entire administrative legislation as a remedy for this apparent curtailment of civic liberties. In his opinion, this revision should begin in the economic sphere where the citizen is most affected by administrative control.

Finally, the author deals with another relevant question: the problem of the Treasury's liability for tort inflicted on the citizen by administrative authorities. According to the Polish system the public authorities bore the same responsibility for damage and loss as a private individual, that is—in the eyes of the ordinary courts (as opposed to France where certain cases of this kind were decided by administrative courts). The author considers this system good and just, but sees a number of defects in it, and proposes their removal by the introduction of wider responsibility of the public administration for damage and loss inflicted on the citizen. By adopting the author's proposal, the present jurisdiction of ordinary courts in the sphere of control of administration would be considerably enlarged.

*F. Broniecki and S. Stachura: The Civil Service in the Allied Countries*

THE authors describe certain general principles on which the civil service of Great Britain, France, Czechoslovakia, the United States of America and Belgium are based. The article is mainly a short summary of lectures and discussions held by representatives of the above-mentioned states at the United Nations University Centre—at London University. (In the first half of this year the United Nations University Centre was organized at the University of London, where a number of representatives of the civil services of various Allied Nations attended a Seminary on Civil Service Administration. This Seminar Course was under the general direction of Dr. Paul Vaucher, Head of the University Educational Mission, French Committee of National Liberation, and formerly Professor of Modern French History and Institutions at the University of London.)

At the opening of the Seminar Sir Warren Fisher, G.C.B., G.C.V.O., formerly Permanent Secretary to the Treasury and Head of H.M. Civil Service, gave an address in which he described the growth of the British Civil Service. Among other speakers were: M. P. Laroque—Member of the French *Conseil d'Etat*, Mr. Cabot-Coville—First Secretary of the American Embassy, Dr. L. Couvreur—Member of the Belgian Diplomatic Service, Mr. S. A. Wood, from the Board of Education, and S. Stachura, from the Polish Ministry of Reconstruction of Public Administration.

Since this publication is meant generally for the Polish reader, the lecture on the Polish Civil Service held by one of the authors has not been included in this article. The contents of the lecture were as follows: The main principles on which the Polish Civil Service was based were laid down in the Civil Service Act of 1922. According to this Act every Polish citizen, irrespective of sex, had the right of entry into the civil service between the ages of 18 and 40. Other conditions were that a candidate for the civil service should not have been convicted in any of the criminal courts, and that he should be of a certain standard of physical fitness and education.

All civil servants were divided into two main categories: the civil servants proper, and certain manual workers, such as porters, messengers, wardens, etc. The civil servants

proper were further divided into groups according to the standard of education they had reached on entering the civil service. All nominations for the civil service were made by the minister of each particular ministry or by high officials authorized by the minister. Persons for such posts as ministers, vice-ministers, governors of the provinces, and certain other high-ranking officials were nominated by the President of the State. Before a candidate could be finally appointed to the civil service he had first to pass a period of probation, normally of one year's duration, but which could, if necessary, be extended to three years. If the candidate had proved satisfactory, a practical examination had to be passed at the end of the probation period before he could finally be admitted to the civil service. The duty of civil servants of all ranks was to carry out orders given by their superiors in accordance with the rules of the service. They were subjected to the discipline enforced by their superiors in office in matters of petty offences and minor infringements of regulations, but for more serious lapses action was taken by special disciplinary commissions. The consequences for both criminal and civil offences were the same for civil servants as for the ordinary citizen. The rights and privileges of every civil servant were as follows: he was granted four weeks' leave after one year of service for the first ten years, after which he had five weeks' leave for each of the next ten years. After twenty years of service he was entitled to six weeks every year. The civil servant also enjoyed certain facilities of travel on the state railways; he had access to a free medical service, and, after a minimum of fifteen years' service, was entitled to superannuation benefits should he be obliged to retire through ill-health. Maximum pension was granted after thirty to thirty-five years' service. Promotions were made at the discretion of ministers, and were usually made on the basis of ability and length of service. Although each particular minister had almost complete freedom in his ministry, and although there were separate rules of recruitment, probationary training and practical examinations for each ministry, the Prime Minister had the general power to supervise and co-ordinate this personal administration as a whole. He was also entitled to be consulted with regard to major appointments and

promotions. General rules concerning all branches of the civil service were issued by the Cabinet.

At present the Ministry of Reconstruction of Public Administration is searching for and studying new ideas and methods of reform. We hope after the war to introduce certain improvements into our civil service such as: better administration of personnel, more centralised methods of recruitment and continuous training for all civil servants.

The authors also made suggestions for post-war co-operation of all civil services to the Committee of the United Nations University Centre, comprising the following main aims:

- 1) Creation of an International Bureau of Research into improvements of administration by studying new methods of organisation, training and recruitment of civil servants. This bureau would have its branches in every state, working in close co-operation with the central office.
- 2) At least once a year there would be held an international conference at which delegates, experts in the sphere of public administration, would exchange their views and achievements in this field. The main part of such conferences would have to be devoted to lectures and discussions prepared by one or more delegates on questions concerned with the most pressing administrative problems of the day.
- 3) Creation of an international library at the Central Bureau of Research, equipped with all publications concerning administrative and personnel problems. Every State having membership should send the most interesting publications in these matters to the Bureau to be published, and thus acquire the necessary publications.
- 4) The exchange of groups of civil servants among co-operating States for exchange of first-hand experience on general organisation and methods.
- 5) Creation at London University of a committee, whose task would be the organisation of a comprehensive scheme of more advanced theoretical-practical studies in British administration for selected civil servants from other states.

# Reviews of Books and Documents

## Administration in Big Business

By Paul H. Appleby, Queen City Broadcasting Company

**TOP-MANAGEMENT ORGANIZATION AND CONTROL**, by PAUL E. HOLDEN, LOUNSBURY S. FISH, and HUBERT L. SMITH. Stanford University Press, 1941. Pp. xvii, 239. \$4.00.

**BUSINESS LEADERSHIP IN THE LARGE CORPORATION**, by ROBERT AARON GORDON. Brookings Institution, 1945. Pp. xiv, 369. \$3.00.

### I

**B**OTH of these books are studies of very large, nonfinancial corporations in the United States. A hint of the difference between them is in their titles. "Management" and "control" suggest a narrower approach than "leadership." And, indeed, *Top-Management Organization and Control*, while valuable, is a fairly conventional study of administrative management. Its value lies in the careful assemblage of information that theretofore had existed chiefly in the files of particular companies, in the minds of their executives, and in the reports of business consultants to particular corporate bodies. The matters treated are, for the most part, those that intelligent research would reveal, without any great experience in, or extraordinary understanding of, the administrative process on the part of those doing the research. It does give a valid if wholly inadequate picture of size and complexity—enough, no doubt, to leave the inexpert wondering how big business is able to function at all. But it is only a beginning; it deals with skeletons and certain elements of organizational physiology but does not approach the far greater complexities of corporate action and life.

*Top-Management* reports on the powers and activities of the boards of directors of the corporations studied. It does this without emphasizing trends or interpreting trends; rather, the boards as they function are facts of life to which management must adjust.

Lacking in comparisons with situations in earlier days of these corporations and in comparisons with smaller corporations today, this is a report of conditions as they exist, faithfully presented.

The book looks at management as a phenomenon considerably removed from the rest of the world. Mention is made of the increasing importance of public relations, but aside from that the climate of management as it is treated seems to be of internal origin. Within the corporation, too, there is a simplification; while delegation and coordination are recognized, "control" as a key word is so excessively used as to invite erroneous interpretations by the junior executives who are most likely to use the volume as a reference work. "Control" appears in fifty different lines in the Table of Contents and provides a major theme. The word is not actually misused by the authors, but as it is used it carries unfortunate implications.

These comments are not intended to reflect discredit on the authors of *Top-Management*, who intentionally limited their study and hewed to the line of their plan. It is intended here to emphasize the limitations in this instance in order to clear the ground for consideration of the second book under review, which does take up the broader and more difficult problems. *Top-Management* has its own, if more limited, virtues. It gives considerable attention to the use of staff; it emphasizes the importance—and growth—of planning; it contrasts functional and product-division forms of organization; it discusses geographical organization. It recognizes change as a pervasive factor, directing attention to changes in markets, in product lines, in facilities, in finance, in personnel, in structure. It presents illustrative organizational charts. It makes the point that staff offices should not be permitted to become competi-



tive with operating divisions. It usefully classifies staff units as "control, service, coordinating and advisory." It suggests three essential elements of control as having to do with objective, procedure, and appraisal. It has an interesting discussion of problems involved in bringing in high-ranking executives from outside. (Since this is a political necessity in government, it is a subject justifying special attention in public administration studies.) It recognizes similarly the problem of the disposition of inadequate personnel in key positions. It emphasizes the normal inadequacy of personnel administration.

The point is made that administration is more difficult and complicated in the case of a company making a variety of products, but it is not sufficiently emphasized. Complexity of operations is even more important than size in making for administrative complexity.

The problem of internal communication up and down and between divisional hierarchies is basic to the general problem being studied, but it is almost ignored. That form of the perennial problem involved in communication between field divisions and home-office divisions in relationship to the authority of field top executives is not mentioned. The right of access to administrative transactions and facilities to make that right of access a functioning reality when it is needed—these, and not actual formal handling at every hierarchical level, are the essentials to administrative authority. This is a subject that deserves much attention. Its absence in this book is part of the general inattention to interlevel and interdivisional complexities.

On a higher level, *Top-Management* makes a flat differentiation between the self-interest of stockholders and the self-interest of management. Similarly, it raises a public policy question by recognizing "control over rate of operation" as one of the basic executive functions with a considerable area of discretion. A differentiation between the amount and kind of control possible over foreign activities as compared with normal domestic operations is a particularly timely one for federal administrators to have in mind.

There is little hint, however, of the inherent intermingling of interest, responsibility, and merits-of-the-case in any large organization, no matter what the structural scheme may be.

The danger of making segmentation too definite is really ignored, while, on the other hand, the intricate and enduring problems of common interest and responsibility are apparently to be solved by "clear-cut" delineations of responsibility and by "well-formulated manuals." The sections on "Control over External Relations" and "Control of Over-All Performance" are most inadequate. Although "appraisal" is mentioned as one of the basic elements in executive functioning, there are only about four paragraphs in the entire book that refer directly to either compliance or appraisal. This is one of the most baffling of all administrative problems, yet there is not even specific mention of the use of staff officers for help and perspective in the process of appraisal.

## II

TO THIS reviewer it appears that none of the material in *Top-Management* would disprove, and much of it would support, Mr. Gordon's projections on the level of administrative, economic, and social policy. Both books are factual studies, but *Business Leadership in the Large Corporation* is a very important interpretation as well. One does not feel that the author set out to prove something; his most provocative proposal is mildly made within two or three paragraphs in the concluding chapter. Yet throughout the book a rich array of facts, figures, and citations is illuminated by what one feels to be a particularly understanding experience in actual administration.

Mr. Gordon's book could be reviewed wholly as an economic treatise. It is a challenge to economic mystics who argue, as does Ludwig von Mises in *Bureaucracy*, that in an economy freed from all government restraints and interferences each business decision would be the automatic best of all possible decisions.

The book could be reviewed similarly as a treatise on administration. But part of Mr. Gordon's point is that the administration of great corporations has to do with, and must be related to, public policy. Under classical thinking, society could afford to delegate to business its concern with business because competition automatically would provide the most desirable results. Mr. Gordon's study is an examination of the question whether big business actually operates as little business

did. His basic economic question is an administrative question: Is the business leader a passive agent, reacting mechanically to market and other pressures? How is the leadership function actually performed, and with what effects on the operation of the economic system?

With many references to other studies, Mr. Gordon's own inquiry reveals most interestingly many specific things that administrators would know in a general way to be true. He finds that stockholders of the very large corporations are generally not important in company control; that directors are generally not very important in the process of decision-making; that directors generally are not motivated primarily or consistently by concern for company profits; that directors are increasingly management-selected. He finds that managements are usually self-perpetuating hierarchies; that their financial rewards are not closely related to company profits; that managerial security is an important consideration in decision-making; that other than financial rewards are important to management. He finds that there are many forces, prerogatives, and interests within the corporate bureaucracies that influence decisions; that decision-making is diffused within the corporations, that the place and manner of making any particular decision are hard to identify; that outside of the corporate bureaucracies are many forces, not all of them economic by any means, of which those actively responsible for policy must continually take cognizance.

Even if there were a free-market competitive society outside the big corporation, the big corporation would not be capable of freely reacting to it. And the forces outside the corporation are, many of them, so highly organized that their impact is not that of a free market. Government is only one, if one of the most important, of the interferences. These important conclusions are brought out in rich detail. The pages dealing with the influence of various technicians are particularly interesting to anyone engaged in public administration.

The accountant, for example, plays an important role in price determination, chiefly through the formulation of cost-accounting procedures. The great virtue of these procedures is not that they reveal what unit costs really are (in most cases an impossibility by the

very nature of the case) but that they provide plausible estimates which can be better used to justify prices charged than estimates based on less precise procedures [p. 265].

Business leadership does not operate in an institutional vacuum, but it is

equally unreal to assume that business leadership is nothing more than a clearly defined channel through which the impersonal market forces of demand and supply work out their pre-ordained results. Business leaders themselves are not automatons, and they operate in an arena in which economic and political forces are intermingled [p. 267].

The increasingly political nature of big business is worthy of emphasis, and leads to Mr. Gordon's concluding questions. The bigger the corporation—and the more complex its activities—the more important is the coordinating aspect of executive leadership; this may be thought of as the increasingly *internal-political* aspect of business. It involves co-operative internal development as contrasted with authoritarian or arbitrary controls; it extends to everything conceived of in terms of superior personnel administration and fans out into public relations and general social attitudes. There are more distinctly external aspects of the big business picture, and these are the ones more readily thought of as political. The field of labor relations is only one of many having strong political character. Laws enabling labor to organize effectively are no more an interference than are laws enabling corporations to be formed and to grow big. To have either changes the nature of economy and society, and to have both big corporations and big unions means further changes.

An important result of these developments is that

increasingly . . . we are expecting of our business leaders that they adhere to other goals in addition to that of maximum profits for the firm. Broader criteria—such as lower prices, maximum output, and, above all, stability and security of employment—are being imposed to some extent through government intervention and the pressures of affected interest groups. Business behavior guided by the profits criterion achieves some of these broader goals only imperfectly. . . . If, however, our economic system should ever evolve to a point where various of these broader non-profit criteria were fully accepted by or were more generally imposed upon business leaders, with such sacrifice in profits for the firm as should prove necessary, the system of incentives developed

in the large corporation would need little change. The lessened spur of profits to active leadership would prove a positive advantage [pp. 338-39].

In the meantime, Mr. Gordon finds that the business leader is in an anomalous position, with legal institutions imposing upon him the primary obligation of seeking maximum profits while various groups press for the service of their special interests and government and public at large demand broad social criteria. "The modern business leader is without a clear-cut set of goals in which he himself believes" (p. 342).

This is a picture of a political situation, and it poses a political question: To whom shall these modern business leaders be responsible as they react to these diverse forces in carrying on the process of decision-making? Mr. Gordon has no hope of restoring actual control to owners or to boards really representing owners, and apparently he doubts whether modern social purposes would be in any way advanced by such restoration. In his opinion, "the function of business leadership belongs where it now is—with the executive group," but that group should somehow be made more responsible to society so that conflicting interests can be reconciled more consciously and responsibly. His one recommendation is that for very large corporations government should name some members of modified boards of directors which would act as "management auditors," reporting periodically on the company's progress and the quality of its leadership.

This review will not consider the particular recommendation. Concern here is with presentation of the problem and, finally, with some reflections that may be of special interest to persons whose field is public administration.

The outline given here does not adequately include items that would make clear changes in the nature of industrial corporations as they become big, but much of what Mr. Gordon presents in detail on this point can be read between the lines. A mountain may be thought of simply as a big hill, but mountainous country is very different from hilly country. The difference between economic hills and economic mountains is much greater than that, however; they are living, acting organisms, generating and reacting to forces;

they have enlarged areas of discretion when they become mountainous, and the methods by which that greater discretion is developed and exercised are different methods. Once laissez faire thinking is substantially modified and these changes in the actual performance of business are recognized, we have to face more frankly some important questions about business objectives—how they are to be determined, and how performance is to be judged and controlled in the light of those objectives.

### III

**T**HE nature and conduct of organization is an extremely broad subject, the better understanding of which is more and more important to the development of our civilization. Any study of any aspect of that subject will throw light on other aspects. These two studies of business organization, therefore, contain many things that will be suggestive to students and practitioners of public administration. Most of the likenesses and many of the analogies between government and business in administrative management terms are obvious as the *Top-Management* report unrolls. Public administrators can learn a great deal by studying business administration—but not as much as most business men believe, and no more than business executives can learn by studying public administration! Perhaps the danger is that analogies will be taken too frequently for actual likenesses. With that thought, it seems appropriate here to emphasize differences.

Since these books deal with very large corporations, their more direct implications for those who deal with public administration are in terms of large governmental organizations. Comparison in terms of size reveals that the national government has a much greater organizational and administrative job than has any of the corporations studied. The largest of the *Top-Management* corporations had, at the time of the study, 70,000 employees; the entire group of corporations had an average payroll of 27,000. At the same time, single bureaus of single departments in the federal government had as many employees as the largest of these corporations. The number actually on federal bureau payrolls tells much less than the whole story, too, because of cooperative and other arrangements which dif-

fuse actual employment of persons carrying on activities for which the public holds the government responsible. The public roads program, amounting to hundreds of millions of dollars a year, is administered by a bureau having only a few hundred on its payroll; yet the bureau has a responsibility, extending even to labor policy of contractors, not materially unlike that of a corporation for those it employs directly. The AAA, in addition to its thousands of directly-employed, allotted the money for paying and had responsibility for 120,000 community and county committeemen and thousands of employees of county offices. The Farm Credit Administration is governmentally responsible for employment and operations in some 8,000 semipublic corporations. These are only a few of many examples, the most familiar of which is the Extension Service.

The whole national government is the complex of all the departments and independent agencies with these associated organizations. There is no staff office and no single administrator in the whole field of private business that has to do with administration nearly so large as that with which the President, the Bureau of the Budget, and the Civil Service Commission, among others, have to deal. (Parenthetically, it should be emphasized that only a few thousand persons in the United States have actually had much to do with management of really large organizations, and most of them have had specialized and segmented experience and responsibilities.)

But the difference in size is only part of the contrast. It has been pointed out that a corporation with diverse products presents a much more complicated job in administration than does one having one or a few products. The very use of the word "product" begins to suggest a vast difference of enormous importance, for the products of government are almost innumerable. It is not simply that it operates industrial plants of considerable variety, acts as custodian and administrator of lands valued at billions of dollars, administers scores of regulatory laws, carries on great service functions of wide variety—post office, weather bureau, roads, social security, employment service, army, navy, etc., conducts vast research programs, compiles statistics and information, and does hundreds of other specific

things. In this respect, it would be comparable to a private corporation that would operate General Motors, United States Steel, General Electric, the Metropolitan Life Insurance Co., Stone & Webster, the Chase National Bank, Kroger Grocery Co., MIT, Columbia University, the Pennsylvania railroad, shipping companies, hospitals, lumber companies, Sears-Roebuck, the *St. Louis Post-Dispatch*, the United States Chamber of Commerce, the Farm Bureau, the AF of L, and the state governments of some of the large states.

But the problem has elements of still greater complexity. The "product" of the Budget Bureau, the Treasury, the Federal Reserve, and the RFC is in one part a conscious or inadvertent management of the fiscal economy. And the product of the government in general is something that so impinges upon and penetrates the various aspects of society as to make the relating of its various parts a very special task of stupendous complexity and importance. Even where the effort is—as it generally is—to minimize the total impact, to minimize social and economic management, the considerations are there. Government can't be irresponsible about it; it has no haven in reliance on the workings of some general automatic principle like "free competition," even though there are some minor restraining principles and some great restraining forces. The public holds the government generally responsible for the state of society.

If there is any general principle governing government in a democratic society, it is the principle of "free political enterprise." And that principle is not one to be regarded fatalistically as being expressed automatically through impersonal forces. It is highly personal and far from automatic, and it leaves wide, if varying, ranges for leadership.

Here, then, is an entirely different function for "top-management" and for "leadership" in the governmental realm. Just as Mr. Gordon has found that big corporations are not simply great counterparts of small corporations and that the leadership function in big corporations is not the same as it is in small corporations, so there must be recognition of the fact that leadership in big government can not be simply more of the leadership that small government had. The simplest thing that can be said about it is that it requires—

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in "top-management" levels at least—much broader thinking and much broader qualities.

Finally, functioning in government is and must be much more completely related to the political process than functioning in big corporations. It is important to recognize, as Mr. Gordon does, the increasingly political character of big business. That is a part of the logic of democracy that had not been much anticipated. Perhaps it is not too much to say that if business finds how to become political enough

—in the sense of Mr. Gordon's comments—private enterprise will survive. And so long as there is private enterprise, business will be very much less political than government. So long as business management is not subject to the same detailed and suspicious scrutiny by press, Congress, and public as is given to public administration, there will remain a fundamental and important difference between the function of leadership in government and the function of leadership in business.

## Mobilization of Industry for the War

By James W. Fesler, War Production Board

THE WAR PRODUCTION BOARD ADMINISTRATIVE POLICIES AND PROCEDURES, by JOHN LORD O'BRIAN and MANLY FLEISCHMANN. (Reprinted from 13 *George Washington Law Review* 1-60 [December, 1944]). Pp. 60.

### I

WITHIN recent years "administration" has come to have one meaning for public administrators and another meaning for lawyers. To the lawyers, "administrative procedure" denotes the quasi-judicial and quasi-legislative mechanics of regulatory agencies, and more particularly the character of provisions for notice and hearing. Occasionally lawyers have even referred to "the administrative process" as merely the mode of operation of the independent regulatory commissions. These curious distortions of familiar words apparently derive from the lawyers' concern with constitutional and statutory provisions and their formal application to private parties through promulgated rules and regulations and through adversary proceedings in administrative tribunals and courts of law. The traditional and healthy emphasis on "the rule of law" and the protection of private rights means that "administration" approached from the lawyers' standpoint is considerably different from "administration" approached not as a constant threat to private rights but as an essential instrument for positive realization of the public interest. Not infrequently the lawyers and the public administrators find a common ground, but they reach it from different starting points.

The title and focus of the article under review clearly derive from the new legal terminology—tempered, however, by an appreciation of the broader administrative problems of industrial mobilization. The study has two overlapping purposes: (1) to describe the development and administration of the statutory authority of the Office of Production Management and the War Production Board; and (2) to describe the principal problems in the solution of which the legal division of the Office of Production Management and War Production Board played a major role. In large measure this is a report by the general counsel on his stewardship. Accordingly, the principal pegs on which the discussion is hung are: statutory authority; interagency relations in exercise of the statutory authority; delegation of the priority authority within the Office of Production Management and War Production Board; development of the regulatory system, particularly through preference ratings, limitation and conservation orders, priorities regulations, the Production Requirements Plan, the Controlled Materials Plan, and production scheduling orders; procedure for issuing regulations and orders; appeals, requisitioning, and compliance procedures; arrangements for granting immunity from antitrust prosecutions for companies collaborating in the interest of the war effort at the government's request; and rules to "safeguard the integrity" of the War Production Board's work, covering employment and work of dollar-a-year men, trade association executives, and lawyers, and the constitution

and functions of industry advisory committees.

These are all matters of significance to both lawyers and public administrators. And they are topics on which no writers can speak with greater authority than Messrs. O'Brian and Fleischmann. Mr. O'Brian, whose public service had included work with the Department of Justice both during World War I and during the Hoover Administration, and the New York Republican candidacy for United States Senator in 1938, became general counsel of the Office of Production Management early in 1941. He continued in that post with the War Production Board until late 1944. His wisdom and judgment have been important factors in keeping the War Production Board within the four corners of the law—corners that, since they lacked geometrical precision, might have been shaped by a different kind of counselor to suit the mere convenience of the board. Mr. Fleischmann was an assistant general counsel of the board during the critical years when it was developing its techniques of industrial regulation. His penetrating mind helped steer many a top administrator through the shoals besetting this unprecedented task.

In addition to being an orderly and authoritative review of the legal-administrative problems of the War Production Board, the article passes judgment on several peculiarly administrative problems. The perspective afforded by these judgments is a healthy antidote for both the hasty contemporaneous criticisms by the press and the dyspeptic views of those participants in the war effort who have so steadily sought improvement of the wartime machinery that they have not noticed that on the whole it has worked reasonably well. According to the authors:

Contrary to often expressed opinion, the wartime regulatory system under which American industry functions did not develop through any hit or miss experimentation. . . . A free economy was changed to a regulated economy in the interest of the war effort with surprising speed and efficiency of operation [p. 5]. . . . Only because of this unencumbered grant of [priority] authority has it been possible for the agencies administering the Act to meet the thousand-and-one unforeseeable contingencies which have arisen every day in the prosecution of the war production program [p. 12]. . . . While it is unquestionably true that there is some confusion of authority and overlapping jurisdiction within the federal war agencies,

it is equally true that diligent efforts are constantly made to minimize this difficulty [p. 16]. . . . If, despite this effort, confusion and duplications occur, this may be charged in great part to the nature, size and complexity of the subject matter [p. 17]. . . . It is obvious that when a part of the war administration is organized on a commodity basis and another part on a functional basis, conflicts will occur. . . . What is not so obvious, however, is the existence of any panacea which would wholly avoid this difficulty [p. 18]. . . . Experience has taught us that orderliness in methods of administration in times of crises is not necessarily the highest goal. What counts is the goods produced and, judged by this test, the present war production organization works with a fair degree of success [p. 19]. . . . Perhaps the most important factor in avoiding overlapping and jurisdictional difficulties is the element of cooperative human relationship which is always a powerful factor in these situations [p. 20]. . . . [The problem of] controlling of the issuance of informal and unauthorized orders and directions . . . was particularly acute in the war agencies, where the top staff was drawn from the executive ranks of the business world, comprising men accustomed to exercise wide discretion and control without supervision, generally lacking in governmental experience and legal knowledge and the traditional caution of the careful public official. . . . Naturally they were inclined to resent any limitations on their authority [p. 22].

## II

THE recording of administrative experience is a fundamental requisite to progress in the science of public administration. Recognition of this fact by the director of the Bureau of the Budget and others has resulted in a program under which the federal agencies are preparing analytical histories of their wartime work. This, however, cannot take the place of independent analyses of particular problems by former officials such as Messrs. O'Brian and Fleischmann. Such personal recording of administrative experience is especially meaningful in the case of the War Production Board. The board had been in existence three years and three months when victory in Europe provided the first of the two great climaxes toward which its efforts had been directed. That was almost five times as long as the War Industries Board operated between President Wilson's broad grant of authority and Armistice Day, and well in excess of the period during which the National Recovery Administration operated prior to judicial invalidation of its empowering statute. In the War Production Board's record, therefore, lies the richest available experience

of governmental integration of the whole American economy toward achievement of a major national objective. How fully this vein of experience needs to be mined can perhaps best be illustrated by referring to a few of the organizational questions that have arisen in the course of industrial mobilization for World War II.

An important first problem has been the failure of industrial mobilization organization to spring into being mature and full-panoplied. The clean-slate, one-fell-swoop, once-and-for-all doctrine of administrative organization has been disdained once again. Not that paper plans were not available. Both the model of the War Industries Board in 1918 and the Industrial Mobilization Plan that crowned the mobilization planning by the Armed Services during the 1920's and 1930's were at hand. But the evolution from the National Defense Advisory Commission in 1940, through the Office of Production Management and the Supply Priorities and Allocations Board in 1941, to the War Production Board in 1942 and the Office of War Mobilization in 1943 has constituted a rejection of the static principle of organization. Instead, emphasis has been placed on the dynamics of changing tasks, the receptiveness of public opinion, the capacities of available executives, and the existence of administrative "going concerns." To the student the case for dynamics over statics is so clear that his critical capacities must be concentrated less on that conflict than on a critical appraisal of the timing of the steps taken, of their relationship to the readiness of public opinion for a more rapid pace, and of the extent to which the dynamic principle may have been used as a convenient rationalization of inept improvisation and overly frequent disturbing of substantive programs and organizational arrangements.

### III

A SECOND group of organizational problems concerns the place of the War Production Board in the group of agencies and officials directing the total war program. President Roosevelt's capacity for direct participation in defense and war production matters, which was a major national resource in these critical years, is supposed to have underlain much of

the resistance to early clamorings for a single czar over all war activities or even over the group of activities concerned with production, price, and manpower. In fact, the dominant hypothesis appeared to be that some overlapping and conflict among agencies was a useful device for assuring that major policy questions would rise to the President's level. There is enough truth in the hypothesis to warrant its thorough investigation by those wrestling with the persistent administrative problem of how to pull appropriate matters up from subordinate levels to the top executive for decision. At what point does a sound administrative principle become a mere rallying point of apologists for things-as-they-are? As time passed, the President's energies were increasingly concentrated on strategy and international affairs, and from this shift in his attention developed the need for a strong *alter ego* to concentrate on coordination of domestic economic agencies. Once this need was recognized through creation of an Office of War Mobilization, the problem was posed whether this new superagency should devote itself to "putting out fires" or to comprehensive direction of policy. A factor in settling this problem would necessarily be the effect of diminishing the prestige of the War Production Board, which under its executive order had comprehensive authority to "exercise general direction over the war procurement and productive program."

A novel feature of this war has been the investigation of war mobilization activities by committees of Congress contemporaneously with the war so that the investigations could have a corrective rather than a merely post-audit character. The intelligent work of these committees, and especially of the Truman-Mead Committee, has provided needed criticism of the industrial mobilization process and, in some instances, criticism that reinforced views already held by the War Production Board. Such committees should be regarded as integral parts of the organization for industrial mobilization, for they have contributed mightily. A host of interesting organizational problems revolving about the legislative-executive relationship call for investigation, with the war period as the focus.

In many ways the most fascinating phase of the War Production Board's relation to

other agencies and officials relates to the centuries-old problem of civilian control of the military. From 1940 on, this problem was revealed in the wrestles over priorities authority, procurement policies, authorization of construction projects, size and internal balance of munitions programs, review of stated military requirements, scheduling of production, methods of allocating materials, specific decisions on distribution of materials and components, and reconversion planning and action. Not an unimportant factor in the development of these issues was the weakness of the powers of the National Defense Advisory Commission and the Office of Production Management, with the result that by Pearl Harbor the respective spheres of the military agencies and the central production agency had been so defined that any major attempt to dislodge the Armed Services from their formidable position would have had unsettling effects in the critical months of early 1942. As a consequence of the building up of large procurement organizations by the Services in 1940 and 1941, it appeared impractical for the War Production Board to assume the role of a central procurement agency such as the British Ministry of Supply. Given this situation, the board tended to concentrate on policy formation, on the broad allocation of resources among competing claimant agencies, and on the provision of materials, components, and facilities needed to support scheduled production of a multiplicity of end products. The actual scheduling of production of military items, the placement of contracts, and much of the in-plant expediting of production were left to the Services. What they did in executing these responsibilities affected materially both the effectiveness of the board policies of the War Production Board and the specific impact of the war program on individual plants, communities, and resources.

The difficulty of speedily harmonizing strategic planning and production planning; the strong voice of the Services in the formation of board policies in certain areas; and the absence of effective devices whereby the board could assure translation of its broad policies into specific actions—these brought to the fore, among other matters, an old administrative problem: How feasible is the dichotomy be-

tween policy formation and policy execution, particularly in the absence of a vertically integrated organization with effective sanctions in the hands of the policy-makers? Mixed in with this basic administrative problem were other factors: the fear that the War Production Board might muff its job when the Services' strategic plans depended upon the job's being done well; the fear that the civilian War Production Board would unduly favor civilian requirements, to the disadvantage of the Services; the able, decisive, and dominant personalities heading the Army and Navy Munitions Board and the War Department's Services of Supply; and the common misconception that the board, instead of being superior to the supply organizations of the Services, was simply to receive statements of military requirements and see that they were filled, without any questioning of their production feasibility or the inroads they might make on other essential requirements of foreign countries and the war-supporting domestic economy.

The board's relations with civilian agencies of roughly equivalent status provide another fruitful subject for administrative inquiry. Some of these agencies are of a commodity or industry character and could appropriately have been industry divisions or branches of the War Production Board. Examples are the Petroleum Administration for War and the Solid Fuels Administration for War. In other commodity areas, such as that of the Federal Power Commission, the board has set up its own units, with the result that nice jurisdictional problems have had to be settled. Apart from the commodity agencies are the functional agencies, such as the Office of Price Administration and the War Manpower Commission. The War Production Board faced three problems, therefore: (1) how to effect coordination of its numerous commodity and industry divisions with comparable organizations headed by cabinet members, independent commissions, and presidentially-appointed administrators; (2) how to coordinate manpower, price, and other independently administered phases of production problems with the board's own functional responsibilities for production results and for distribution of materials, components, and facilities; and (3) how to get effective administration amid



the extensive interplay between function and commodity, each administratively recognized as a clustering of bureaucratic, special-interest, and public-interest pressures.

Finally, the War Production Board's experience is basic to an understanding of the wartime working of international boards and committees such as the Combined Production and Resources Board and the Combined Raw Materials Board. As we move further toward international policy formation and administration, it is important that we not have to relearn what wartime officials already know but have not recorded.

#### IV

FOR about the first year of the defense program the internal organization of the central production agency was dominated by functionally charged divisions, such as those on production, labor, purchasing, and priorities. Even in the succeeding half-year, when commodities and industries became increasingly important foci of organization at subordinate levels, the industry branches were assigned in groups to the several functional divisions. But in the last three months of 1941 and in the first half of 1942, three principles came to dominate organizational thinking. One was that programming, largely through formal review of requirements programs, central allocation of critical materials, review of facilities expansion programs, and central clearance of major industry-regulating orders, would provide the major policy-level control by the central production agency. This concept received impetus principally through the Supply Priorities and Allocations Board in 1941, the President's formulation of munitions production goals in January, 1942, and the Requirements Committee and Planning Committee, both of which started operations in February, 1942. The concept was carried on throughout the war under the aegis of the Requirements Committee and its chairman, whose title eventually became program vice chairman of the board. The second principle given recognition was that all industry divisions (with the exception from time to time of all or several metals and minerals divisions) should be grouped under a single top official, known variously as director of industry operations, director general for operations, and

operations vice chairman. This focusing on programming and operations was complemented by a third principle—that there should be an integrated field service tied into the board as a whole, rather than a multiplicity of field services reporting to individual functional officials at Washington.

With these three principles established as foundations for organizational maturity, the chief running battles turned on relations between programming officials and operating officials; relations of staff groups, concerned with such responsibilities as civilian supply, labor, and statistics, with the operating officials; and relations between industry divisions and staff groups at Washington with regional offices of the board. Conditioning factors in the settling of these conflicts of interest were (1) the staffing of industry divisions with men from industry, constantly subject to the suspicion that their backgrounds would incapacitate them for appreciating and acting on the broad conception of the public interest regardless of its effect on their peacetime industries and companies; (2) the staffing of other groups, such as the civilian supply office, labor office, and planning and statistics bureau, with professors, labor movement men, and government economists; (3) the necessity of affording adequate status and power to prominent industrial executives brought to Washington at personal sacrifice and not unlikely to throw up their government posts at slight provocation; and (4) the peculiarly great interdependence of all phases of war production, which made any segmentation of the total job, however necessary administratively, a distortion of the actual way in which operations would have to be carried on.

This last factor is perhaps inadequately appreciated; for the need of the human mind for limited categories as a basis for thought creates a hospitable reception for the idea that, for example, the rubber problem is administratively a separable package of tasks to be vested completely and exclusively in a "czar." Actually, meeting the rubber problem may mean calling on the petroleum industry for synthetic rubber production, which may in turn require curtailment of explosives and aviation gasoline production; it may mean producing rubber from alcohol, which may drain sugar, wheat, and corn supplies and

reduce the supply of antifreeze solutions for motor vehicles; to convert the rubber into tires may require turning to the textile industry for cotton and rayon tire cord; rubber conservation and allocation programs may adversely affect the transportation, lumbering, and other industries; to build new rubber and tire plants may require the aid of the construction and industrial equipment industries, which in turn must depend on the steel, copper, aluminum, and other metals industries for essential supplies.

Perhaps most important in the commodity phase of industrial mobilization is the fact that any one of a great number of commodities can serve as a lever with which to advance or obstruct the whole war program. Laggardness in expansion of production, or maldistribution, of any such commodity may hold up the production of munitions, undermine the nation's commitments to foreign governments, or halt the production of other needed commodities. Synchronizing these commodity levers was one of the most challenging problems faced by the War Production Board.

On the functional side, too, the problem of splitting up tasks has been exceedingly perplexing. Distinguishing policy and programming on the one hand from operations and actual production on the other has been attempted as between a requirements committee and a division of industry operations, a program vice chairman and a director general for operations, a program vice chairman and a production vice chairman, a chairman and an executive vice chairman, and a program vice chairman and an operations vice chairman. The board has experimented with making the programmer coordinate with the operations director and with making the programmer the direct superior of the operations director. The kind of man needed to make broad policy decisions as to relative urgencies of foreign, military, and domestic requirements is different from the kind of man required to expedite production through the industry divisions, and this fact has strengthened insistence upon the division of functions. But it has not prevented a wide range of difficulties over where the line should be drawn between policy and operations and how far the policy-maker should be guided by the advice of the operations officials.

## V

ORGANIZATION is but one phase of administration, and administration in turn is vital only as it is conceived of as a part of the total society. We err if we try to strip administration of the public policy considerations, the personal factors, the special pressures, and the subsurface influences that create the environment out of which administrative successes and failures emerge. To isolate administration from policy and government from economics may fatally compromise our capacity for straight thinking. In a war effort requiring the cooperation of all elements of the population, the greatest practitioners of the art of public administration have been those who saw their task as that of uniting in the common purpose management and labor, producers and consumers, military forces and civilians, our foreign allies and our own citizenry, and every industry and company with every other industry and company. This was not a task of mere exhortation. It called for the exercise of great wisdom and judgment in the apportionment of the resources of the nation among insatiable and singleminded claimants; it called for effective flowing of resources through the complicated American industrial system; it called for working out satisfactorily the complicated problems of interagency and intra-agency administration; and it called for maintaining democratic consultative processes and opening the way for individual appeals where general orders worked undue hardship on particular persons and companies.

The successes and failures of the War Production Board in grappling with these responsibilities are pregnant with lessons for public administrators. For these lessons to gain currency we need more articles like that of Messrs. O'Brian and Fleischmann and more independent appraisals by students of public administration. A social science like public administration cannot grow by perplexed searching for the controlled experiments. It must be content at this stage with an accumulation of recorded and analyzed experience that takes into account the distinctive environmental factors conditioning each administrative event. Only with such records can advance be made toward sound synthesis and generalization.

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## Demobilization of Industry for the Peace

By G. Lyle Belsley, War Production Board

DEMobilIZATION OF WARTIME ECONOMIC CONTROLS, by JOHN MAURICE CLARK (Committee for Economic Development Research Study.) McGraw-Hill Book Co., Inc., 1944. Pp. xiii, 219. \$1.75.

ALMOST one-half trillion dollars in appropriations and contract authorizations have been approved by the Congress for general war purposes during the past five years. In this same period the nation produced nearly one-quarter of a trillion dollars of munitions and war construction alone. Investment in new or expanded plants required to accomplish this gigantic task amounted to more than \$20,000,000,000. By 1944 our economy was geared to an all-out effort that produced total goods and services at the unprecedented level of \$199,000,000,000—more than twice the comparable figure for 1940. This is the financial aspect of the country's united war effort.

These vast expenditures and the accompanying mobilization of the nation's resources have paid rich dividends in the tangible goods of war. In 1940 the country was poorly prepared for war (with the one exception of its navy, a major segment of which was later crippled as an effective fighting force). It can fairly be said that we started from scratch. Our people received with mingled feelings of hope and skepticism President Roosevelt's 1940 call for fifty thousand planes. But before long this seemingly high objective was greatly exceeded, and an overpowering flood of materials and munitions poured from the country's farms, mines, and factories. Our munitions production is almost equal to that of the rest of the world, friend and foe combined. We can now boast of the greatest air force, the largest and most powerful navy, and the greatest merchant marine in the world's history. Our army is one of the largest and certainly the best equipped and supplied in the world.

The great potential of the American economy has been organized by the coordinated efforts of all segments of the country's economic life. The appropriation and expenditure of prodigious sums and the placing of

ever-increasing war orders were only the beginning. The energies of many state and local governments, private groups, and businesses were also necessary. But more was required. All this activity had to be organized by some central body exercising the influence and power necessary to direct the use of all our resources in the most effective way.

The federal government inescapably was given responsibility for the general direction and coordination of this huge undertaking. The Congress and the executive agencies have both played important parts. The revival of the Council of National Defense and the appointment of its advisory commission in May, 1940, marked the beginning of this effort. As the program grew and advanced to different stages many new agencies were established, usually by executive action and occasionally by legislative enactment. Later, as the war program matured and as problems of reconversion began to appear, the Congress created the Office of War Mobilization and Reconversion, the Office of Contract Settlement, and the Surplus Property Board as successors to somewhat parallel agencies that had previously been established by the President. In the meantime, most of the regular departments and agencies of the federal government also directed at least a part of their energies to war-connected work.

These agencies were vested with responsibilities for aiding the total mobilization of the nation by rendering guidance and help, using persuasion and cajolery, and exercising special powers and controls. The powers given federal agencies are the greatest ever exercised on such a broad scale in the history of the country. Many of them have never been used on any previous occasion. Their application (with varying individual successes) in connection with the immense war procurement program is largely responsible for our gigantic war production and for bringing our economy to the highest level it has ever attained.

Problems relating to the demobilization of these federal wartime economic controls and

the successful transition of the economy to a peaceful period of high employment and production are the subjects of Mr. Clark's book. It is the third in a series of reports sponsored by the Committee for Economic Development. Although it stands on its own merits as a complete study, it can best be appraised in terms of the general objectives and methods of the organization responsible for the whole series.

The Committee for Economic Development was organized "by a group of business leaders who were convinced that the attainment and maintenance of high employment after the war dare not be left to chance." Local groups of more than sixty thousand business men have been organized in more than twenty-two hundred communities throughout the country to study postwar employment and production problems. They are furnished help and ideas by the national committee and by others whose services are available to them. To prepare materials for this purpose, the committee has sponsored studies and reports<sup>1</sup> on a number of interrelated subjects dealing with the transition from war to peace and the longer-term fundamental problems involved in reaching and holding a high level of production and employment in a democratic society.

No reactionary tycoonery characterizes the work of the committee to date. On the contrary, the studies so far published have been earnestly and ably prepared. As authors of its reports, the committee has sought out trained and competent persons who have already won distinction in their respective fields and has given them freedom to express their ideas and suggestions on the subjects assigned to them.

Mr. Clark takes full advantage of this freedom. Throughout the book, he devotes major attention to controls dealing with production, prices, and wages which have the greatest long-term significance. He treats with interest other direct and indirect controls pertaining to transportation, rationing, manpower, exports and imports, general fiscal policy, taxes, credit, subsidies, disposal of government-owned

plants and equipment, disposal of other surplus property, and contract settlement. In the process, he repeatedly points to the interdependence of these controls and the need for considering this interdependence in lifting or modifying them and in the timing of such action.

After presenting a short review of existing controls, Mr. Clark discusses in some detail problems accompanying the modification or lifting of controls for each of the following five stages of reconversion: (1) the period of continued fighting in both Europe and the Pacific; (2) the period of war in the Pacific after victory in Europe with war production falling off heavily and civilian production partly resuming (the stage we are now in); (3) a period after complete victory with reconversion moving forward rapidly; (4) the period during which deferred demands for consumers' durable goods will be filled; and (5) a period of long-run adjustment during which "the economy will have to learn how to get on without [the] temporary stimulus" of the preceding period.

Under the chapter heading "How Not To Reconvert," Mr. Clark discusses some of the mistakes that can be made in the coming months and years and briefly reviews the experience of 1918-20 following World War I. He points to the blunders and errors of this period (particularly the sudden and ill-timed removal of most controls following the Armistice) as examples of "things to avoid in the reconversion that will follow the present war." After applying this lesson to future problems, he concludes that "to follow lines of least resistance and to drop all controls as soon as the guns are silent would be to invite chaos."

In Mr. Clark's opinion mere de-controlling is not sufficient. To lift present controls, run for cover, and hope for the best will not meet the needs of the times. This could lead to such complete confusion that great unemployment and financial loss could result, while the economy might enter a decline from which it could recover only as the result of taking far more drastic steps than seem to be required to meet present needs.

The major problem is not one of freeing the economy of wartime controls but primarily one of making the smoothest possible transition from a high-level wartime economy to a

<sup>1</sup> For some of the major reports, a companion summary statement of national policy is prepared by the CED Research Committee of business men. In this instance, the short policy statement has been published as a pamphlet entitled *Postwar Employment and the Demobilization of Wartime Controls*. The research committee assumes full responsibility for the policies incorporated in the pamphlet.



high-level peacetime economy within the general framework of competitive private enterprise. To accomplish this, the federal government must play an important role. Present controls must be relaxed judiciously. New or modified controls may be necessary. At one point, Mr. Clark briefly outlines some of the many non-war controls exercised in 1939 by federal, state, and local governments. Later, when discussing in some detail the changing relations between government and business, he points out that "government is changing from a policeman to a positive economic agency" and indicates that it is necessary for a clear understanding of postwar developments to realize that "in 1939 the peacetime scheme of relationships was in the early and crude stages of a basic change, the full effects of which have still to be matured."

The author's uninhibited approach<sup>1</sup> to his subject is well expressed in the following excerpt from his first chapter:

These studies, then, must try to strike a wise balance between recommending the impossible and merely predicting and acquiescing in the inevitable. The worst mistake is that of being too timid to say what is needed because it is so unpopular or treads on the toes of such powerful interests that the chances of gaining it seem slim. The primary service of such studies as these is to report what seems to be needed, without unnecessary offense but without fear or favor. And if what is needed is a miracle, in order to bring the country through without shipwreck, then it is not the part of realism or common sense to start *a priori* with the assumption that the days of miracles are over.

This book will probably be more influential in nongovernmental circles and among legislative leaders than with governmental executives. The broader issues and problems of demobilizing wartime economic controls which it presents will be studied and discussed by the many local committees and business men participating in the program of the Committee for Economic Development. These groups will undoubtedly be impressed with the fairness of Mr. Clark's presentation and with many of his conclusions and suggestions. Thus the book becomes a part of one of the most interesting and influential efforts in adult education that has been attempted in

recent years. Similarly, legislators will no doubt welcome a study of this character, sponsored by a group with the standing enjoyed by the Committee for Economic Development, as a source of information and ideas not connected with the executive branch.

On the other hand, the influence of Mr. Clark's efforts on governmental executives will be somewhat limited, even though they find in him a person who understands many of the major problems with which they are faced. This is owing to two factors. In the first place, most federal agencies have given consideration to their reconversion and demobilization problems for many months. Much of this work resulted in a considerable area of agreement among those starting with different ideas and objectives. Mr. Clark necessarily has had access to many of these officials and their work. He, in turn, no doubt had an important influence on the thinking of officials during the progress of his investigations. It is at that point that his influence on policy was probably the greatest.

Secondly, many of the author's suggestions and findings are couched in very broad terms. In some instances, they are so general that there is little room for disagreement with them. But executive officials are plagued with a vast set of problems one step below this general level which are of equal importance with the broader decisions, since they implement those decisions in a practical way. Even where there is agreement on broadly stated policy, there is usually strong disagreement with subordinate decisions reached to achieve that policy. The executive asks "how" the major stated objective can be attained. This is not always a question of machinery or method but is frequently a question of settling a multitude of lesser policy problems that are really determinative of what the general statement means—a fact best appreciated by those executives on whom are focused the ideas and pressures of many groups professing similar objectives but differing widely on questions of timing, subordinate policy, and method. While the participant in this process will welcome the perspective that comes from Mr. Clark's detachment, he would also welcome guidance on the important and decisive subordinate policy matters that are not covered by the book.

<sup>1</sup>The research committee's policy statement lays more stress on demobilization of controls and does not look forward to the possible continuation of modified controls or the establishment of new ones to the same extent as Mr. Clark.

## II

THE demobilization of wartime economic controls has many administrative implications. Mr. Clark casts only a few flirtatious glances in their direction, since he is primarily concerned with policy matters. He points out, however, that the development and execution of a "positive and integrated economic policy" can be realized only if actions are taken to meet the needs for: (1) an agency to guide and coordinate the actions of establishments exercising wartime controls; (2) a better and more effectively organized executive branch; (3) a more adequately organized and operated legislative branch; and (4) more effective liaison between the legislative and executive branches.

These proposals have been discussed by political scientists, executive and legislative officials, and other groups for some time. There is wide agreement about the desirability for improvements of this general character which affect the entire governmental process and are not confined to demobilization or reconversion problems. The President has made proposals regarding the reorganization of the executive agencies and the Congress expressed interest in this subject when it passed the War Mobilization and Reconversion Act. The Congress has already begun the painful process of self-analysis in the hope of improving its organization and work. The President and many members of Congress are concerned with the development of better relations between the executive and legislative branches. The Director of War Mobilization and Reconversion is playing a significant role in this latter connection.

Coordination of the activities of federal agencies exercising wartime controls is necessary. This fact became increasingly clear in the period of high war production, when more controls were imposed and the military and a growing number of civilian agencies became more disputatious as the economy was pushed nearer its limits. Coordination is equally important during the demobilization of controls, particularly in the early stages of this period. Mr. Clark recognizes this when he states that "the policies of one war agency affect the interests of others. . . . This is one organic problem." In support of this approach, the research committee of the Com-

mittee for Economic Development in its accompanying policy statement emphasizes that "As controls are interdependent, their administrative suspension must be effectively coordinated. Piecemeal action by separate agencies subject to conflicting pressures would not produce an orderly demobilization." But wartime powers and controls affect so many phases of American life, are so broad in scope, and raise so many pressing administrative problems that they are beyond the capacity of any one all-embracing agency to organize and manage in all their aspects. This very fact makes some coordination essential if the agencies involved in the demobilization of controls are not to ride off in different directions.

President Roosevelt moved to meet a part of this need on May 27, 1943, when he established the Office of War Mobilization by executive order and delegated some of his authority to the director of that office. Subsequently, the Congress created an Office of War Mobilization and Reconversion and directly vested certain authority in the director of the office, who was to be appointed by the President with the consent of the Senate. This was a most unusual action, for it meant the establishment of an agency technically outside the Executive Office of the President to exercise over-all coordinating and planning functions that are basically presidential in character. The relative success of this device can be attributed not merely to the need for an agency to perform such activities but also to the earnestness and loyalty of the directors of that office.

The Office of War Mobilization and Reconversion is serving with increasing success as a coordinator of the policies and activities of executive agencies on mobilization and reconversion problems. Although some of the war agencies may have assumed a slightly non-cooperative attitude when the office was first established, this is no longer the case. To an ever greater extent, either upon its own initiative or at the request of one or more of the agencies involved, the office is bringing agency representatives together to consider common problems and to settle major issues.

In the winter of 1944 and again in the spring of 1945, the Office of War Mobilization and Reconversion stimulated war agencies to consider their post V-E Day problems and to

lay appropriate plans regarding the demobilization of their controls. The agencies submitted their plans to that office, where they were reviewed by the staff and discussed by representatives of the agencies involved. Modifications were made in agency plans as a result of this procedure. General integrated statements about demobilization, lifting of wartime controls, and reconversion have been presented in the three quarterly reports issued by the director of the office.

Coordination of war agencies has not been limited to the accomplishments of the Office of War Mobilization and Reconversion. Regular procedures of formal and informal inter-agency consultation have also been effective. In some instances special *ad hoc* task groups have been established by two or more of the agencies for the purpose of reconciling differences and reaching a common policy or course of administrative action. In other cases, continuing interagency committees have been created to make decisions about certain types of problems. These long-standing practices are not disturbed, but on the contrary are encouraged, by the Office of War Mobilization and Reconversion.

### III

ADMINISTRATIVE problems of demobilizing wartime economic controls are not confined to the upper reaches of coordination at the chief executive's level. They are present everywhere. Basically, many of them are affected by military plans and developments as well as by the interdependence of the controls of civilian agencies. In a favorable period when war production is being reduced, the chain of relationship is as follows: Military plans and developments determine procurement plans, which affect the timing, extent, and speed of contract cutbacks and terminations, which, in turn, condition the program for eliminating, modifying, or imposing controls, which must then be translated into administrative plans and action.

This sequence of events operates unevenly and uncertainly. Military plans are changeable, and military developments are often unpredictable (the generals call this "the fluidity of war"). Procurement requirements are therefore based on very rough estimates and are often rapidly shifted with the course of events.

Furthermore, decisions about procurement programs and their conversion into contracts constitute a mammoth policy and administrative job reaching from the battle fronts through a long military and procurement line to the factories, mills, mines, and farms of the country. Any error at the source or along the way magnifies the margin of error in the forecasts of contract cutbacks and their impact.

Programs for modifying controls must therefore be sufficiently broad or flexible to meet these uncertainties. They can be sharpened only as subsequent developments occur. The experience of the War Production Board during the past twelve months is pertinent. It illustrates some of the problems faced by the war agencies. It is also significant because the plans of several other war agencies depended not only on the procurement programs of the services but on the results of the War Production Board's actions in lifting or modifying its controls.

The War Production Board, in 1944, established machinery to collaborate with the Armed Services regarding cutbacks and to lay plans for the period following V-E Day. This was done in recognition of the fact that the programs to be cut back, the distribution of the cutbacks, and the manner in which controls were demobilized were interrelated and would play an important part in the success with which adequate war production was continued and reconversion accomplished.

When military cutbacks began to assume importance (in May, 1944, as war on two fronts was swinging into full action), a production executive committee staff—later more properly known as the Production Readjustment Committee—was established for the purposes of correlating cutbacks with reconversion. Representatives of the War Production Board, the Armed Services, the Smaller War Plants Corporation, and the War Manpower Commission are members of the committee. They review major cutbacks proposed by the Services to see that they are so distributed that they will have the most desirable effect on facilities, components, materials, manpower, and communities.

The committee is an effective instrument because it must give approval before contracts can be cancelled. Its review of the Services'

proposals is useful in itself. But of equal or greater importance is the fact that its existence has encouraged the Services to arrange their proposed cutbacks in accordance with general criteria established for the guidance of the committee. Thus many of the purposes of the committee are already reflected in the proposed cutbacks, which can often be quickly approved without change or with relatively slight modifications.

In the early fall of 1944, as military cutbacks assumed increasing importance and victory over Germany appeared to be a possibility before the year was ended, the War Production Board took steps to plan for the demobilization of its controls following V-E Day. The board had considered its reconversion problems with varying intensity since 1943. Attention to the control aspects of this major subject was intensified with the establishment of the Committee on the Demobilization of Controls after Victory in Europe (known as CODCAVE). This committee consisted of representatives of major units of the War Production Board. It consulted widely with representatives of other interested agencies. Through the use of subcommittees it reviewed many different aspects of the board's work.

The committee's major concern was with the controls exercised by the board, the extent to which they could be lifted or modified following V-E Day, and the kind of controls that could be adopted during the transition period. Decisions on these matters were necessarily based upon forecasts developed by the Bureau of Program and Statistics regarding military cutbacks following V-E Day. That bureau obtained information from the services regarding the proposed changes in their procurement programs and translated this general information in terms of materials, facilities, components, and manpower which would be made available by the cutbacks. This information was supplemented by such data as were available from the Production Readjustment Committee regarding the geographic and plant impact of the current and impending cutbacks.

It was estimated that the cutbacks following V-E Day would be sizable and would be made quickly so that a new and considerably lower level of war production would be reached rea-

sonably soon. Accordingly, CODCAVE's general policy was to lift many WPB controls immediately following V-E Day and to modify others drastically. But its more detailed recommendations regarding each type of control, made to carry out the general policy, were more cautious. The committee's findings and recommendations were shelved when the Battle of the Bulge in December made it clear that V-E Day was some distance away.

This subject was again reviewed in the early spring when the Committee on Period One (CPO) was established. This committee was assigned the same task as that of the former CODCAVE and was similarly constituted. Like its predecessor, its findings were based on forecasts regarding military cutbacks which were now estimated to be smaller and to come more slowly than had been indicated in the autumn. Again, the general policy was adopted of lifting many of the board's controls and modifying others following the V-E Day that seemed imminent. But again, the individual recommendations regarding most of the controls were less sweeping than the general policy.

Despite the fact that they were based on different assumptions regarding military cutbacks, the general and more detailed recommendations of CPO and CODCAVE were very similar and differed only slightly in some relatively minor respects. In each instance, the probable margin of error in the forecast was recognized and plans were made sufficiently broad and flexible to cover the situation. There was agreement on the actions that should be taken and the controls that should be modified following V-E Day—in short, on *what* should be done. But no firm decision could be reached on *when* these actions should be taken. It was a question of timing depending on the production situation on V-E Day and later procurement developments. Only subsequent events and the proved results of contract cutbacks on the availability of materials, facilities, components, and manpower would make it possible to sharpen the general plan and to translate it into action.

Other agencies faced similar problems. Through specially created groups or the work of their regular units, they developed plans for the period following V-E Day. Like the War Production Board, they were especially



concerned about these problems in 1944 (particularly in the autumn), had to postpone further action with adverse military developments in December, and undertook further planning in the spring. Under the guidance and stimulation of the Office of War Mobilization and Reconversion, they prepared for V-E Day. With few exceptions, their general plans were ready with the advent of V-E Day but had to be made specific in the light of subsequent events.

#### IV

THE uncertainty of developments that determine when a particular action can be taken frequently requires the executive official to take "calculated risks." Thus, in many cases the War Production Board lifted controls preventing or limiting the production of consumer items prior to the time when materials were actually available for production but on the assumption that needed materials would become available without too great delay. It permitted manufacturers to take all necessary preliminary steps, such as placing orders, clearing plants, and setting up assembly lines. If the controls were lifted only after the materials were available, production would be delayed. That this was not necessarily a safe risk is indicated by the fact that sheet and strip steel required in the manufacture of many consumer durable goods did not become available as soon after V-E Day as had been forecast. Extraordinary steps had to be taken in an attempt to correct this situation.

The risks taken by executive officials cannot be so great as to result in lifting an important control prematurely. Both public relations and administrative problems are involved. Such action could cause needless and perhaps harmful confusion. In recognition of this fact, and in view of the probable continued limited supply of strip and sheet steel, the War Production Board has selected December 31 rather than September 30 as the date for abolishing its Controlled Materials Plan—one of its major key controls in the distribution of aluminum, copper, and steel. If the plan were abolished on the earlier date on assumptions that later should prove invalid, it could not be reinstituted in time to avoid near disaster to certain segments of the economy or without great disruption to the work of many other

federal agencies affected by it. This is a risk that cannot be taken. In the meantime, some transition controls are being instituted in such a manner that they can meet the situation if later developments should permit the lifting of the plan prior to December 31.

Furthermore, the reimposition of an important control once lifted leads to other difficulties. People can not readily understand the reasons for the reversal. Charges of "bureaucratic blundering" become numerous (and with some justification). The resulting misunderstandings and resentments multiply compliance problems. Most major controls can be successfully reimposed only as the result of some dramatic or threatening event such as a military reversal or a disaster which in itself furnishes the reason for the action and paves the way for its acceptance.

The cycle of lifting and reimposing a control involves a serious administrative problem. If the control is an important one requiring a sizable number of personnel for its administration, the force must usually be disbanded when the control is removed. Personnel can hardly be left in standby condition, because of the effect of such action on morale, budget, and public opinion. If the control is reinstated, the task of rebuilding the required force to administer it is very difficult.

Uncertainty about future events and the timing of specific actions within the general framework of broad plans has serious budgetary repercussions. The budget estimates for most of the war agencies were submitted in late January, 1945, on the basis of a continuance of the two-front war during the fiscal year ending June 30, 1946. At the time, this seemed the only safe assumption to make. The President submitted his recommendations to Congress in March. Apparently in the hope of decisive developments in Europe, the House Appropriations Committee postponed its scheduled hearings. Later, as V-E Day approached, the war agencies were asked to resubmit their estimates on the basis of a one-front war. They did so in late April and early May. Hearings were held with the arrival of V-E Day.

In the case of the War Production Board, the more detailed plans used as the basis for its estimates changed after the House hearings were held and before the Senate hearings

were scheduled. Some of the assumptions made in its submitted estimates were no longer valid. The Office of Price Administration was faced with a similar problem, since the lifting of War Production Board controls following V-E Day opened the way to partial reconversion and made it necessary for the Office of Price Administration to impose many new price controls on products that had been out of production during a greater part of the war. This involved a difficult administrative job of organizing and staffing to perform a new and unique activity. The Office of Price Administration was further harried by uncertainties about the extension of the Stabilization Act without amendments which might burden it with extremely complicated, if not impossible, administrative tasks. The War Manpower Commission was also in a quandary, since some of its controls might be affected by the actions taken by the War Production Board and because of the uncertain future status of the United States Employment Service.

Under such conditions, budget estimates became a device for obtaining general funds to meet uncertain future events rather than a method for presenting a firm program for congressional consideration. This is not unusual, since it is a situation faced by many temporary or emergency agencies during their expanding as well as their contracting periods.

The demobilization of wartime controls is facilitated by the temporary character of the war agencies. Most of the war agencies have been established by executive order and can be transferred or abolished in the same way. Many of them are technically placed in the Office for Emergency Management, which is a part of the Executive Office of the President—thus emphasizing their close relation with the chief executive. They have received their powers and authority by delegation from the President. Only a few of the agencies have received authority directly from Congress as a result of legislative enactments. Even in such cases, the congressional authorization has usually been for only a fixed temporary period.

From the very beginning, therefore, the heads and personnel of the war agencies recognized that they were exercising great powers for a temporary time and for war purposes. With few exceptions, there has been no tend-

ency on the part of these agencies to perpetuate themselves or to exercise power for power's sake. On the contrary, the heads of many of these agencies have leaned over backwards to avoid abuse of their powers in either appearance or fact. None have wanted to be charged with "bureaucratic" tendencies.

It is noteworthy that many of the rationing programs undertaken by the Office of Price Administration were begun, as Mr. Clark recognizes, too late for the best administrative results. Although severe manpower controls were suggested during the past few years, the War Manpower Commission moved with restraint in imposing its controls. Some of the most drastic production curbs were instituted by the War Production Board only after their need was clearly apparent to the country.

The War Manpower Commission, the War Production Board, and the Office of Censorship have shown a willingness to lift their controls at the earliest possible moment. Some agency heads have declared their intentions of "going out of business" as soon as possible. Others have carefully avoided the use of their respective powers to accomplish ends which some groups might have desired but which were not considered sufficiently related to the war effort. In fact, many agencies have even refused to use their powers to aid other agencies in the enforcement of their controls.

The tendency to relinquish power and the urge to self-liquidation is strengthened by the type and interests of key personnel involved. War agencies have usually been staffed by persons coming from private business, educational or research institutions, state or local governments, and other federal agencies. For the most part, the top officials, coming from outside the federal service, are on leave of absence from their regular positions, to which they are free to return at any time. Many have looked upon their work in the war agencies as a temporary activity that gave them an opportunity to participate more directly in the war effort.

With the arrival of V-E Day and the initiation of sizable reconversion, the tendency is for these key people to return to their regular occupations so that they will be in an advantageous position as civilian production is resumed. Furthermore, many of their companies are already urging them to return, since their

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services are needed during and following the reconversion scramble. Some, who don't want to leave a job half-done, seek to spend part of their time with their concerns or in building their own postwar businesses, thus raising a most delicate and difficult personnel problem. As educational activities are stimulated by the discharge of an ever increasing number of men and women from the Armed Services, educational institutions will seek the return of their teaching personnel. Regular civil servants observe this entire process, anticipate the imminent decline of their temporary agencies, and seek transfers to regular governmental establishments.

This centrifugal force in the administration of temporary war agencies characterized the period immediately following the Armistice in 1918 and is already threatening to disintegrate some agencies even before their own rapid demise can be honorably prepared. The threatened exodus of personnel from war agencies (both in Washington and in the field) became sufficiently disturbing to concern President Truman, who wrote the Director of War Mobilization and Reconversion on this subject early in May. The President expressed the fear that so many key people might leave

the federal service as to jeopardize the necessary and continuing work of the war agencies and the effective demobilization of their controls. He asked that the head of each war agency review his personnel situation with this situation in mind and encourage his people to remain on their jobs until they could be released without harm to the war effort.

The administrative organization of the war agencies is necessarily affected by the desire of personnel to return or to transfer to other work. To an increasing extent it becomes necessary to organize around the personalities and skills of those who will remain. Logical shifts of assignments or groupings of activities give way slowly to the hard and insurmountable fact that no personnel is available to operate major segments of an agency organized on that particular basis. The normal effect of personnel on administrative organization is thus magnified. During the demobilizing period, agencies will be reorganized in a manner not particularly acceptable to their heads or in accordance with "sound organizational principles," but in accordance with the practical personnel situation which faces them.

## The Just Official

By Leonard D. White, University of Chicago

PRINCIPES D' ADMINISTRATION PUBLIQUE, by CHARLES-JEAN BONNIN. Troisième Edition. 3 Volumes. Paris, Chez Renaudière, 1812. Vol. I, pp. xlv, 497 plus (last pages torn out of copy); Vol. II, pp. 374; Vol. III, pp. 312. (First edition, Paris, 1809, 1 vol.)

THE distinction of inventing the title which W. F. Willoughby was to make known to Americans in 1927, "Principles of Public Administration," seems to belong to an obscure French author, a contemporary and admirer of Napoleon. Charles-Jean Bonnin was born in Paris in 1772. He was apparently fortunate enough to preserve sufficient means throughout the uprisings of the French Revolution to be able to devote himself to a literary career; in his *Lettres sur l'éducation* (1825) he described himself as a "publicist." He was well

known to statesmen and public officials of his time and was a life-time friend of Portiez de l'Oise, director of the school of law at Paris. He took his duties as a publicist seriously; in his *Doctrine sociale* (1820; 2d ed., 1821) he reprinted letters to the Spanish Cortès, the Congress of the United States, the Republic of Haiti, the Parliament of the Two Sicilies, and the Cortès of Portugal. Most of his writing, apart from essays on Montesquieu and Corneille, was in the field of public law.<sup>1</sup> In an unguarded moment, he published in 1821 a work (*Etudes législatives*) which brought against him the charge of attacking the religious foundation of morality. He was fined three thousand francs and imprisoned for thirteen

<sup>1</sup> J.-M. Quérard, *La France littéraire*, I (Paris: Firmin Didot père et fils, 1827), 411-12.

months. The urge to write remained, but after his release he published only the *Lettres sur l'éducation* and a collection of verse and prose inspired by his wife, *A Madame Bonnin*.

In 1809, he published a work, *De l'importance et de la nécessité d'un code administratif*, which in its third edition became the *Principes d'administration publique*. In the preface he declared that he was the first to organize this field of knowledge and politely begged the indulgence of his readers, "so necessary in first attempts." The second and third editions were written at the request of several public officials, so that we may believe the book had a considerable vogue.

An unknown book on public administration well over a century old naturally excites one's curiosity. What did Bonnin understand by public administration? Did he grasp the organizing problems of the modern state in an era when France, powerful as she then was, still could transact her civil affairs with a mere thirty thousand officials and employees—about the number which Mayor Kelly now needs to carry on the business of the city of Chicago? What were his views about the ideal administrator and his role in the community?

Bonnin did not write about public administration in the sense of most American writing from 1920 to 1945. At the same time, he recognized the management problems of a more highly specialized community than his own. He wrote when the state was both omnipresent and omniscient, but nevertheless beneficent and regardful of the human interests of its citizens. The French official, in Bonnin's view, was a trustee for the welfare of the persons over whom he was placed; the sense of obligation runs strongly throughout his pages, profoundly reminiscent of a remarkable work describing the role of the German civil servant more than a century later, written by a liberal-minded official who became a victim of Nazi intolerance—Regierungspräsident Ernst von Harnack, who wrote *Die Praxis der Öffentlichen Verwaltung*.

To discharge properly the duty of supervising the welfare of his subjects, Bonnin gave much importance to an annual tour of inspection by the prefect. His description of the function of this annual inspection is both charmingly medieval and acutely modern.

One of the most satisfying duties to be fulfilled by the prefect, and one of the most useful obligations from the point of view of the public good, is the annual tour of inspection which he should make in the communes of the department. He is then a father visiting his numerous family, who sees for himself its state of prosperity or the causes which hinder it; he is the vigilant eye of the Government to ascertain needs and resources, to view wrongs and abuses and bring them to an end, to hear complaints and to give justice; finally, he is the image of the head of the state speaking to citizens. He ought not, therefore, to neglect any details; he ought to see everything, he ought to listen to everything; he ought to give to some hope and justice, to make others feel the wrong of their conduct, and to anticipate public justice in the mind of perverse men or of a lying official. Public works and establishments, sanitary measures, agriculture, commerce, industry, taxes, instruction, the progress of the human mind, police, public and private customs, acts of heroism, discoveries and inventions, such are the important matters to which he should turn his attention in these annual tours [II, 209].

There is still one great duty for the administrator in his annual tours, one which he ought to regard as the principal end of his inspection, that is to take care to understand well the *public mind* of his department. Confidence is the most certain means to encourage public officials and citizens to express themselves freely and to open their mind to that of the administrator. He ought to teach subordinate officials this truth: that the Government not only wishes people to obey the laws but that it desires even more that citizens like the laws and be satisfied that their good fortune depends upon their faithful execution. He ought to find out from citizens if there are subjects of discontent and complaint; he ought to satisfy them promptly if they are well founded, for the attachment and affection of citizens to Government depend upon good and prompt justice; or if they are only prejudiced clamors, he ought to give the necessary explanations to demonstrate their injustice. It is by means of friendly comments, and by a complete impartiality that he must straighten out the public mind which errors or circumstances leave temporarily upset.

Thus the administrator carries on in his department; thus by his presence he gives persons and things a wholesome direction and brings them into conformity with the common good; and thus as the living image of the Prince he participates in the power of Government [II, 215].

Bonnin's concept of public administration was a broad one. "Administration," he wrote, "is the science of relationships between society and individuals and the means of maintaining these relationships through the action of public authority upon persons and property in every matter which is of interest to the social order." Like Ernst Freund, Bonnin conceived public administration less in terms of

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the inner mechanisms for securing efficient results in an organized hierarchy and more in terms of the impact of public authority on persons.<sup>1</sup> "Administrative science may therefore be considered either as the knowledge of certain social relationships (theory and analysis) or as the application of the rules which govern these relationships in the common interest. According to this definition, based in the very nature of things, we see from the first point of view that it is the trend of social action and from the second, the art of putting this action into practice" (Preface, xiv).

In his second volume Bonnin prescribed a number of aphorisms which illustrated his idea of public administration. "Administration is a consequence of Government, of which it is a part: it is the Government in action, in detail." "Public administration is established to supervise persons and property in their public relations and to secure their co-ordination in the common good. Its character is action; the execution of the laws of general interest is its special function. Society as a whole is the object of its duties and solicitude." And to the imperial official who talked much and accomplished less, he observed, "The Government sees the administrator only in the acts which he does, and not in the speeches which he makes to citizens" (II, 273 ff.).

Conceiving administration as the direction of persons and property in the common good, Bonnin devoted the bulk of his work to the then existing French law which it was the duty of prefects and mayors to enforce. The administrative relationships involving persons included the universal fields of taxation, military service, and civil status and also such special subjects as farmers, artisans, and merchants; schools; public welfare; arrest; and religious cults. Administrative relationships involving property included public works and such private holdings as houses, woods, waters, mines, swamps, and industrial property. Here too the author dealt with the law of expenditures and public accounting, the administrative courts, and the system of statistics.

These are matters of specialist interest. But

when Bonnin wrote about the qualities appropriate to an administrator, he was on universal ground in time and place. Here the author must be allowed to speak for himself.

In vain for the administrator to have all the information which makes a statesman if he does not also possess the qualities of a man of good will. Knowledge, particularly in a public man, has value only to the extent that personal qualities put it in play; for in the exercise of authority one does not continually use what one knows, but the qualities which mark the man of good will are always appropriate in the exercise of public office. It is these which make power attractive and which leave long in the memory a recollection of the statesman. The more the concept of the public man is joined with that of the just man, the more completely he commands general confidence. The administrator, therefore, ought to watch himself with great care in order to be the first of his fellow citizens by reason of his personal qualities as he is already the first by reason of his office.

An unalterable justice toward everyone without distinction, moderation in power, a mature firmness which comes from a conviction of what is good and not from pride and obstinacy but which directs compassionate justice, a healthy judgment, sagacity, knowledge of men to be used, knowledge of the time, place, circumstances, and social convenience, profundity in views, perseverance in the public good, and activity and zeal which nothing repulses, that amenity which renders authority acceptable without causing it to lose its rights, the capacity to love the good for itself, to do it without seeking praise, to know how to temper the exercise of power with mercy, and to reconcile the dignity of office with pleasant and attractive manners; such are the personal qualities which bring affection to the true administrator and which distinguish him from those who see in the exercise of their authority only the power and credit which are attached to it.

There is even a special heroism in the administrator, the heroism or constancy which causes him continually to struggle courageously against himself and against opposition which he may experience on the part of citizens in the exercise of his office. At one time he must sacrifice his sentiments, his affections, and individual considerations to the justice which he owes to everyone; at another time he must be able to repress special interests which too often make claims in their own favor and which he must silence in the face of the public interest; at another time he must be able fearlessly to warn the supreme authority if it exceeds the limits of its power and a fortiori if it could be so blind as to abuse its power; finally, he must frankly make known the needs and demands of those subject to him. He must also be able to repress his own self-satisfaction and his own pride, which induce public scorn. This heroism is incessant, and administrative functions are themselves unending. It is this very heroism which sets the foundation for administrative virtues. "Military qualities

<sup>1</sup> Cf. Ernst Freund, *Administrative Powers over Persons and Property* (University of Chicago Press, 1928).

are necessary only in some circumstances and at some moments," the great man who governs us rightly said. The civil virtues which characterize the true official have an endless influence upon the public happiness [II, 258-60].

To get a public service equal to the task which Bonnin saw about him, he thought the study of science to be most important. Indeed, his perfect official had to know all sciences: "The field is immense, without doubt, but what information ought to be foreign to the man in public life! . . . Ought not everything which interests humanity and the public order to be a part of his continued study, the first of his duties, the most important of his occupations, the most imperative of his obligations?" (Preface, xxiii).

Science and knowledge, however, yield in

importance to justice, and Bonnin's final words on the just official are those which best catch the spirit of this ancient work.

But science is nothing without integrity and justice. Only the most severe integrity, only the most equitable justice, should distinguish the administrator. The public man, inevitably placed between his conscience and his duty, who fails to be just, is the most cowardly and guilty of men because, stifling in himself every principle of justice, he exercises the most odious tyranny, that which afflicts the citizen in his only refuge, the protection of the laws.

Justice is necessary to the man in public life because the power which he has and the authority which he exercises in themselves give him a sufficiently great power over men, and because the unjust man is both cowardly and guilty. But with justice and moderation he will have all the qualities which comprise the virtues of the public man and of the citizen [II, 271-72].

## Pedagogy for Administrators

By John A. Perkins, International City Managers' Association

CONFERENCE LEADERSHIP IN BUSINESS AND INDUSTRY, by EARLE S. HANNAFORD. McGraw-Hill Book Co., 1945. Pp. xvii, 289. \$3.00.

TRAINING, along with budgeting and planning, is one of the basic tools of management. Nevertheless, the budget officer and even the planner were old hands around the city hall, state house, and nation's capitol before the special "training officer" put in his belated appearance. Training troops, of course, has long been taken for granted. Training civil servants, unfortunately, has not. The absurdity of this difference is revealed in a remark General Somervell made to a meeting of commanding generals of service commands:

It's always been a mystery to me why we in the Army thought the minute a fellow put on a uniform we had to rush around and train him very vigorously for his job, but as long as he wore civilian clothes, he was supposed to learn the job by a process of osmosis or experience or just exposure to the hazards of the work.

The training practices of the Army in World War II may prove to be as great a stimulus to civilian training programs as the famous "Army Alpha" test was to scientific testing in public administration after the last war. Ten per cent of the servicemen are inter-

ested in entering public service. Having been a part of a highly trained team, they will not only be receptive to training on their civilian jobs but may be counted upon to advocate it. Public management, confronted with a steadily decreasing labor supply as the war has progressed, has come to a new appreciation of training as a method of easing the painful manpower shortage by increasing the effectiveness of available personnel and developing talent for positions that have never previously been the object of any great concern.

This book by Earle S. Hannaford, written primarily for business and industrial managers, is equally applicable to public servants in corresponding positions. It will be especially helpful to the latter group at this time, when governmental in-service training seems likely to burgeon as never before. That the training of "top side" administrators set the pace is of highest importance both intrinsically and for the stimulus it will give to other types of training. Foremost among the difficulties of establishing in-service training for supervisors and the management group has been the lack of personnel having a sufficient understanding of training techniques on this level. Here is a textbook written precisely to fill that need and replete with completion quiz and suggested exercises for drill at the

end of each chapter. Elaborate flow diagrams are an additional aid to the student and summarize key ideas some of which are so complex that exposition alone is not enough for understanding.

While conference leading is a specially designed tool to use in the formal training process, it is, as the author points out, also of much practical value in ordinary business conferences, formal or informal, and, I would add, in ordinary governmental staff conferences. It is in the conference process that formal training shades off into what is simply good management technique. The executive who can make the ordinary staff conference a training session wherein he obtains voluntary acceptance of his ideas (very often modified by group thought) and discipline by consent rather than by order giving is demonstrating administrative ability of the highest order. Realizing this, the author does not much concern himself to distinguish training conferences from other conferences or training officers from supervisory personnel.

To the author the fact that conferences "form the bulk of what is usually called supervisory administrative or executive work" makes it simply a matter of economy of time and money "to do everything in our power to learn how to handle them." This truth does not, however, justify his wasting an unconscionable amount of the reader's time before he reveals the vital "how to do it" aspects of conference leadership. In the first eight chapters some important background is given: the difference between ordinary meetings and conferences, the adjustment of the leader's function to the type of meeting, the steps in the general conference process, the two basic conference types—informational and developmental—and two methods of discussion operation.

In presenting this material and some additional information the author's thoroughness can only be compared to atom-smashing. In this part of the book there are but two sections which deserve such exhaustive treatment. The first is the analysis of the five steps in the general conference process designated as approach, drawing out, acceptance, summation, and association; the second pertains to the methods of discussion operation described as "overhead" and "closely shaped."

Discussion is of the overhead type when a particular item has been brought up by the leader but is discussed between group members, short-circuiting the leader; in the closely shaped method the leader keeps direct control and all discussion traffic passes through him. When to use each of these methods and the five conference steps and their handling are fundamental not only to the understanding of the remainder of the book but to all effective conference leadership itself.

The book comes close to satisfying expectations in chapters nine through thirteen and in the last and eighteenth chapter on "Some Do's and Don'ts for the Leader," which might better have been filtered into the midsection of the book. One of the things which the author singles out in this last chapter is the usefulness of the blackboard or easel in conferences, for "the sense of seeing is the one through which we learn the best." While fully endorsing this thought, I would offer as an example, not Mr. Hannaford's book, but Publication No. 91 of the Public Administration Service, which presents the *Work Simplification Program* of the Bureau of the Budget. If by clever and instructive illustrations the cartoonist can make the teaching of administrative procedure rival "Terry and the Pirates" for interest, he could certainly improve the readability and the retention of the information presented on conference leadership.

While the instructions to the would-be conference leader are not so specific as they might be or so full of helpful illustrative stories as the author would have a good conference session, the book nevertheless has some unique information. Particular commendation is appropriate for the discussion of the classification of types of people and how each may be used to forward the conference purpose. All writers on conferences say they must be planned, but none comes to grips with the matter of how to plan as well as this author does. In the consideration of discussion control and guidance the usefulness of the material is submerged in the author's propensity to overanalyze. His charts designed to determine the effectiveness of the conference, and indirectly of the conference leader, far exceed the ordinary process chart for complexity, thus reducing the likelihood of their being used

by the learner in conference leadership training sessions. To forward such sessions for training conference leaders a separate chapter outlines a schedule for training periods of various length and emphasis. The maximum schedule is two weeks, while the briefest program to give executives simply an apprecia-

tion of conference leadership is called a Cook's tour. All are to employ the author's text. A principle recognized in this same chapter is that the shorter the course, the greater the emphasis to be placed upon practice rather than upon theory—a formula which, if followed, would have enlarged the value of this book.

## Of Freedom and Profits

By Alexander H. Pekelis, The New School for Social Research

TOMORROW'S BUSINESS by BEARDSLEY RUML.  
Farrar & Rinehart. 1945. Pp. 238. \$2.50.

### I

THIS is a book about business written by one of its most talented lovers. It is a book wide in range and deep in significance. It contains an enlightened philosophical analysis of the idea of freedom and minute suggestions for a fiscal policy. It is sophisticated and impassioned at the same time. It reads easily and contains many passages well worth rereading and meditating. In short, it is a remarkable book. And I hasten to say so at the outset lest what I have to say later, in dissenting from the book, make me seem unfair to its merits.

Beardsley Ruml is fascinated by the way business gets things going and enjoys telling us about it. His story does not begin with production, investment, finance, or management. It begins with the people who use what business produces. Says Ruml:

Final use takes place in the hands of the people—in the hands of Mr. and Mrs. I. M. Consumer, their children and their neighbors. These families use soap and milk, towels and sheets, radios and vacuum cleaners, beds and tables, apartments and houses, fire insurance and the daily newspaper, and a thousand other things besides. . . . In most cases they do not know where, how, or even by whom these things are made. They only know where they can be bought—the rest is generally taken for granted.

Who places at their very doorsteps this incredible variety of things Mr. and Mrs. Consumer could not possibly make for themselves? It is business. "The first business of business is to get things ready for use." The second is to "provide people with purposeful activity, with something useful to do." The third is to "give people a place where they can invest their savings."

Getting raw materials, manufacturing and

distributing them, and letting the people know that the products and services are available; thinking up things to do and giving people a chance to produce goods which sell at a profit and thus do something that "is not boondoggling, no matter what a philosopher might judge by abstract standards to be the value of the work;" making the pleasurable satisfaction of the universal instinct to save as helpful as possible to the saver and to the community at large—all these, and more, are the activities of business described in loving detail by Beardsley Ruml.

All these and more. In his admiration for business the author sees it as something more important than just a source of goods and services, of jobs and investment opportunities. Business is to him "a source of order and of freedom." Ruml's book is not an exaltation of business as business. Its central theme is business' social responsibility for human freedom. Ruml would not think of claiming for business—as so many of her lesser lovers do—a quiet "private" existence, far from the limelight of public functions, rights, and duties. This book is a book about business; but business is authority and power, direction and decision, and so, says Ruml, "this book about business becomes a book about power." Despite this verbal coincidence, the book does not follow the pattern or the philosophy of Brady's *Business as a System of Power*. But neither is it an apology based on the sacred rights of a privately owned enterprise, which to be free must be free from accountability for the use of its privately owned resources. The adjective "private" rarely occurs in the book except in conjunction with the noun "government." The book has, indeed, enough courage to proclaim that business is not only a producer, but also a rule-maker, a govern-



ment—one of our most powerful private governments. To do so in America is an act of courage because, by proudly proclaiming that business is a "private government," one puts business' throne right on top of a powder keg of long-accumulated explosive ideas about the purposes for which all governments are instituted among men.

When Ruml disdainfully repudiates the slogan of the rank and file of business' friends and proclaims that "not freedom for business, but business for freedom must be the objective," the proud knight jumps into the very midst of our modern, and still romantic, political arena to pick up the heavy glove of a mighty challenge.

Does Ruml's book live up to its initial springboard courage? Does Ruml's business live up to the ideal whose challenge he has accepted? Does Ruml's book establish in fact a concrete plan for business' acceptance of its responsibility for order and freedom? That is the question. The significance and the weakness, the charm and the disappointment of the book lie in the fact that it is a book about the supremacy of freedom over business, written by a man who can't help loving business more than he loves freedom. Ruml is aware of the fact that, to survive, business must be made to fit the end of human freedom and happiness. But he never asks himself—and this is where his acceptance of business as a basic datum of his philosophy comes in—whether freedom and happiness could be better secured by means other than business as we know it today. He writes on the premise that business is a means to an end, but he never fully subordinates the means to the end. His question is, at best, "What is the better way of making business serve freedom?" But it is certainly not, "What is the better way of serving freedom, through business or otherwise?" And the sudden airpockets in his reasoning make the reader sometimes dizzily suspicious that Ruml is only exploring the minimum concessions business must make to freedom in order to survive, not the optimum conditions of freedom which present-day reality could afford.

## II

THIS point can be best seen by examining the central point of the book. Ruml's main thesis is that business is a rule-maker, a pri-

vate government. To him this does not mean only that, for instance, a corporation governs itself in a way not dissimilar from that in which any self-governing group performs such a function. Faithful to its initial courage, Ruml's book is outspoken about the fact that business makes rules not only for itself but for society at large. To the question, "If business is a private government, who are the governed?" Ruml gives a complete answer. His answer is, "We are all governed." Not only as stockholders and vendors or suppliers, but also as customers and employees, we are all subject to the rules made by business, rules which "are final and not reviewable by any public body."

The next question would seem to be how well we, the governed, are represented in the body that has the power to make these unreviewable rules for us. Ruml himself shows eloquently that not even the stockholders and owners (to say nothing of vendors, workers, or consumers) control the rule-making bodies of business, since "the fact is that the stockholders *elect* the directors but they do not *choose* them. They are *chosen* by the Board of Directors itself, which makes the nominations." It is, therefore hardly surprising that Ruml expressly recognizes the desirability, if not the necessity, that the boards of directors, these central agencies of corporate power, should be transformed so that they may represent "more nearly the interests of those whom business governs." So far so good. But how is such representation to be achieved? At this critical point, we find the logical airpocket. Confronted with a concrete political problem, Ruml seems to take leave of his hard-boiled realism, of his logic, and of his inventiveness and makes a suggestion of breathtaking naïveté: to safeguard the interests of labor, consumers, minority stockholders, and suppliers, governed by but not represented in business, the existing boards of directors—these self-perpetuating bodies practically responsible to nobody—should be asked to appoint one of their old or newly elected members to act as a "trustee" for one of the group of the governed—for instance, for labor. In other words, to assure freedom, the governors not otherwise responsible will choose, appoint, pay, and keep in office as long as they wish "trustees" for the governed!

Is it actually necessary to argue that where

there is conflict of interests—and Ruml, once again, is blunt in recognizing that “the interests of the four groups are in conflict”—the representatives of one of the interests cannot be appointed by the bearers of the conflicting interest and that, if so appointed, they are not “representatives” at all? Must we prove that the term “trustee” can find no legitimate application to a person whose appointment, compensation, and continuation in service depends exclusively on the will or the whim of a party which, by definition, has an interest opposite to those who must be protected? The ancient query, *quis custodiet ipsos custodes?* would find a solution simple indeed, if the control of the controllers could be left with the controlled. It is true that the idea has seduced other law-makers; for instance, the supervisors of Italian corporations, the *sindaci*, were appointed and paid by the directors whom they were supposed to supervise. But is it necessary to point out that the results were ludicrous? Ruml suggests that these “trustees” for the interests governed by business be well paid and seems to think that the “essential point is that the director-trustee should be paid for his time at a rate that will give the company the services it must have if it is to do more than mere shadow boxing.” But is it not true that, as long as removal is within the uncontrolled discretion of an assembly dominated by the board, a generous compensation is likely to function as a deterrent rather than as an encouragement of an energetic defense of interests in conflict with those who have the power to remove?

Thus, the book breaks down badly at its very center, where exercise of power by business was supposed to be checked by the supremacy of freedom. Instead of a plan that would assure a genuine representation of those governed by business in the councils of their “private government,” we are simply presented with a scheme aimed at forestalling more drastic reforms. Unless this is done, warns Ruml, “someone will someday, perhaps at a most inconvenient time, make it his crusade to turn these interests into rights.”

### III

RUML’s administration of the test of “consent” in the field of business is worth comparing with his application of the same test in the field of labor. While asserting that

the business-appointed trustees for labor and consumers will be instrumental in “extending the area of consent in the rule-making of private business,” he contends, in speaking of labor, that the first reason why the time for the union shop has not yet come is that “the rule-makers of the labor union do not rule by consent of the employees. . . . The government of labor unions does not truly represent the choice of the governed employees.”

Now, it is certainly true that the conditions under which collective bargaining has been established in many companies have involved from time to time the use of “threats, intimidation, misrepresentation, forgery, humiliation, and even physical force.” It could be remarked—in fairness—that labor cannot be made solely responsible for the use of these means that have been part of the arsenal of both contending parties. Be that as it may, it is surprising that an author who is willing to recommend the trusteeship system as a means of assuring consent of the governed should assert emphatically, as Ruml does, “This is not government by consent” when confronted with the fact that some union organizers use measures “far stronger than those of example and persuasion.”

It must be said that the forms of governmental control upon whose introduction he conditions the wisdom of the union shop seem perfectly reasonable and just to this reviewer. Ruml foresees, and apparently advocates, the public regulation of membership in unions (prohibition of discrimination on ground of race, creed, sex, or politics), of cost of production (prohibition of devices enforcing inefficiency), and of proper forms of fund auditing. As a matter of fact, I can see no reason why such regulation should not be advocated for all unions rather than as “the inevitable concomitant of the general extension of the union shop.” Why should the public policy against unfair discrimination, wasteful restraints, and misuses of funds be restricted to labor unions which claim or obtain a union shop?

The reason for Ruml’s connecting the demand for governmental controls to the union shop situation is apparently that this situation enables him to distinguish between the position of labor and that of business and to explain away the unfairness of the double moral standard that sets up different tests of

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consent and control for government by corporations and by unions. The distinction is based on the assertion that the union shop gives the labor leadership monopoly powers that business does not possess or claim. The requirements to which labor organized on the basis of union shops must submit would be applicable to business only, it seems, "if we were asked to give a business or an industry broad monopoly powers." The corresponding "broad monopoly" powers of labor are vividly, and I think correctly, described by Ruml:

These are important rules. They work well as long as the trade-union is open to all workers in its jurisdiction. But many unions are not open to all workers. A number of them keep out Negroes, aliens, and women. Some unions also exclude workers whose political beliefs they do not like. To keep out people because of their race, color, sex, citizenship, or political beliefs, where there is a union shop, means to deprive them of the chance to earn a living at their occupation. This is great power badly used.

In addition, there are "closed unions" which limit the number of full-fledged members. They make it hard for outsiders to join or to gain full membership rights by undue regulation of apprenticeship, by charging initiation fees deliberately designed to keep out members to work on union jobs without giving them new members, and by issuing permit cards to non-membership. Here, again, the union exercises an economic monopoly to the detriment of workers in its jurisdiction.

But does not business have equally great rule-making powers? Why is racial, religious, and political discrimination in employment mentioned by Ruml only in connection with labor? Is it his contention that employers practice it less than unions do? Ruml's answer is to be found in the idea that, while under the closed shop agreement union leaders exercise an economic monopoly, the competitive conditions existing as a rule in the field of business assure workers, stockholders, and consumers a freedom of choice. The stockholder can sell his stock and invest his money in another corporation. "The company he keeps, he keeps by choice." The David customer may be stronger than the Goliath corporation, "if he does not have to buy, or can postpone his buying, or can find something else that will do, or some other place to get it." And, similarly, the strength of the employee "lies in his ability, when he has it, to get another job from another employer or to get along without doing any work." The concluding paragraph of the chapter on "Business as Rule-Maker" reads:

Thus we see that tolerable freedom of the governed under the private rule-making of business, of the stockholders, of the vendors, of the customers, and of the employees of all rank comes from the opportunity to say, "No! I will do my business with another business." When the governed can say "No" they have powers as great as those of the strongest business.

Thus, despite all the appearances of modern sophistication, we are back to the old and long-exploded *laissez faire* notion that every buyer and seller of commodities or services has the possibility of choosing those with whom he wants to deal. Such opportunity exists in theory—or rather, as the imperfect competition studies have shown, in bad theory. But, in reality, the opportunity to say "No! I will do my business with another business" (a theoretical opportunity a worker has with respect to unions as well) frees stockholders, consumers, and workers from only one business, while the rule-making power is exercised by business as a whole. It is true, as Ruml assures us, that "most forms of collusion in the setting of prices are considered contrary to public interest and are made illegal as 'conspiracy in restraint of trade.'" But did—or can—the outlawing of "most forms of collusion" in fact eliminate concerted rule-making by business, be it in respect to rates, to prices, or to other terms at which business makes its services available? Or does this business power exist—as Ruml seems to suggest at a certain point—only during depression and unemployment? If business is a rule-maker, a private government, this is so only because it is able to act with a certain uniformity. Nor is it important to what extent this uniformity is the product of a conscious conspiracy, is due to "natural leadership" in prices or standards, or is just conformity to "natural" mercantile folkways. What matters is that conspiracy, acceptance of leadership, or compliance with custom are all manifestations of a policy-making, price-making, and rule-making business community.

If business is a government, if all prices are political or, at least, policy prices, it is essential that the shape of the price structure prevailing in a society be controlled by the objectives of society at large and not solely by the needs and considerations of a profit-making government.

#### IV

R UML, once more, is outspoken as to the importance of profits as the main impulse to the action of business as a government.

By all odds the most important energizer of corporate power is profit, the experience of profit, and the prospect of profit.

Profit is not the only motive which brings corporate power into action. . . . But . . . the underlying and unifying force, releasing all others and giving meaning to all else, is profit. It is not merely the spark plug, it is the spark within the plug.

Why should we give this profit-making government so much authority and leave to it the regulation of such important aspects of our lives? Ruml's answer is that the first function of profits is to assure the compliance of business with the choice of the people.

In the first place, profits are a test of whether the thing that is made is wanted, and whether enough people want it at the price at which it is offered more than they want something else at some other price. If they do not, there will be insufficient sales, and insufficient profits—or none at all.

At this point, once more, I have the feeling of a logical airpocket. It seems obvious to me that we are confronted with a totally unwarranted attempt to attribute to profits the function that belongs to prices. It is true that unless the goods and services put at the disposal of the public are priced (or otherwise limited, *e.g.*, through a ration coupon system), production will hardly be able to adjust itself to the consumer's desire. Money prices (or, for that matter, ration points) are the meter of the intensity and constancy of the popular desires and preferences. If we leave aside the question of total purchasing power available to a given individual, economic freedom, as distinguished from economic totalitarianism, is assured by the possibility of choosing within the limits of his total power (monetary system), or at least within certain relatively broad categories (red and blue points), the things and services he prefers. And no choice would be possible if these things and services were not "priced," *i.e.*, marked in the same quantitative symbols (money or coupons) in which the limits of the individual purchasing power are expressed. But why, to perform this function, is it necessary that prices include profits? Prices, not profits, to revise Ruml's sentence quoted above "are a test of whether the thing that is made is wanted and whether enough people want it at the price at which it is offered more than they want something else at some other price." As a matter of fact, profits, particularly high profits (and, under

fair competitive conditions, Ruml maintains, "the higher the profits the better the interests of all are served"<sup>1</sup>) can and often do prevent people from using a product they would have used if it had been offered at a lower price. That "profits keep the wheels of a business machine turning" may be a correct description of the present state of affairs, but nothing seems to warrant the additional statement that profits keep the wheels turning "in the right direction."

Ruml offers one more "broad social" justification of profits—"they provide a pressure for ingenuity and efficiency"—and three additional reasons why profits serve the safety and welfare of any particular business: "they are a safeguard against errors in pricing; . . . they are the foundation on which additional capital can be raised as it is needed; . . . they are the measuring standard against which the efficiency of the management is tested."

These three additional reasons are not too persuasive. The first, the necessity of an insurance against errors in price-making, justifies margins on individual articles or in individual years, not profits as a permanent and basic feature. The other two reasons assume what they intend to prove. It is true that "the higher the profits have been and the longer and steadier the history of the earnings the lower will be the cost of [new] capital" and that (another way of putting the same thing) the efficiency of management is measured by the profits it makes. But this is so only because high profits are in fact the avowed purpose of business management. Since they are the goal towards which it strives, its credit and efficiency are measured by its ability to achieve them. If business management were to set for itself another goal—for instance, the widest possible distribution of goods and services which our generation believes to be essential for the people and a steady minimum return to savers sufficient to encourage saving and to assure industrial expansion—prestige of the management, and consequently the readiness of investors to trust it, would be measured in the light of approximation to these new goals.

<sup>1</sup> An indication as to how high profits should be can be found in Ruml's remark that, to induce new capital into new business, annual rates of 20 per cent or 25 per cent would be "on the lean side."



Confidence produced by somebody's ability to reach a goal is not a justification of the setting of the goal itself.

The same objection applies to profits as a means to stimulate ingenuity and efficiency. Not only may other rewards serve as stimulants of ingenuity and other tests as yardsticks for efficiency, but obviously the profit or compensation motive could produce practically the same results even if its whole scale were reduced in size while its proportions were preserved. What I consider a fallacy in Ruml's conception of the function of profits and compensation is particularly clear in his treatment of compensation. Ruml compares high managerial talents with those of the stars in movie, radio, and literature. He maintains that the method of mass distribution in business and popular arts requires "top talents" everywhere. He is so optimistic as to believe for instance, that today, "with the approval of millions at stake," movies have no more "room for high mediocrity." He concedes that "the difference in profit between great success and good success is out of all proportion to observable differences in the qualities of the offering itself," but argues that astronomic salaries paid "are well-justified on pragmatic grounds" and that any attempt to put a ceiling on them and thus limit the trend towards concentration of the production in the hands of the Big who can afford such salaries is doomed to failure.

Since there would be no competition between companies as to level, high talent would have to be satisfied at the ceiling price, since it would rather work than starve. Yes, but high talent can work part time, and that is exactly what would happen if the rate of pay per month, per year, or per lifetime were to be limited by law. The laws of nature have precedence over the laws of man. The production and scarcity of high talent are stubborn facts. The profit of movie and radio companies will be higher with a \$200,000 artist half time at \$100,000 net compensation than it will with a \$100,000 artist full time at \$100,000. At the levels where salary limitations would be imposed, the final result would be to deprive the generation of a

substantial and irreplaceable portion of the productivity of its highest genius.

Can the reader imagine the "highest genius of our generation" who works only part time and gives only half of what he would give us otherwise because we don't let him make more than \$100,000 a year while he thinks he is entitled—under the divinely decreed laws of our semimonopolistic economy—to twice as much? I confess I cannot. I don't think it does justice to men and don't think it is good psychology or sound economic theory. I may be all wrong about the relationship between genius and salary, business, and society, but the apologia of profits in the name of freedom does not sound to me more persuasive than Cotton Mather's statement about the "Settled Business wherein a Christian should for the most part spend his time; and this, that he may glorify God," or Richard Baxter's treatment of lesser profits as of a religious delinquency:

If God show you a way in which you may lawfully get more than in another way (without wrong to your soul, or to any other) if you refuse this and choose the less gainful way, you cross one of the ends of your calling, and you refuse to be God's steward, and accept his gifts, and use them for him when he requireth it: you may labour to be rich for God, though not for the flesh and sin.

For once, I prefer the French who say *les affaires sont les affaires*—business is business. And, maybe, nothing is the matter with business or with its ruling us: after all, this base world never had a milder master. Let those who can, make money, and let nobody begrudge it to them. But after we have given to the modern Caesars what is rightfully theirs—the coins with their image on them—could we not stop there instead of going ahead and linking top salaries to genius, money-making to God's service, or business for profit to the promotion of liberty? If we could, quite a few of us would feel a lot better about the whole affair.

# News of the Society

THE first president of the American Society for Public Administration, William E. Mosher, Dean of the Maxwell Graduate School of Citizenship and Public Affairs at Syracuse University since it was established in 1924, died of a heart attack on June 1, 1945. Dean Mosher was not only its first president but in a very real sense the principal founder of the Society. The *Review* here prints brief appreciative notes from two of Dean Mosher's former students. It will publish a more formal biography in a forthcoming issue.

WILLIAM E. MOSHER, who died on June 1, was one of the great men of this generation—an inspiring teacher and a dynamic leader. He viewed every problem and every proposed remedy in the light of what was best for the public good. He always placed his work above personal interest, and he literally worked himself to death in his untiring devotion to the improvement of governmental processes. In a real sense his career and all that it stood for typifies the highest ideals of public service.

Dean Mosher frequently had been employed as an advisor to federal agencies and was considered an authority on public utility economics and personnel administration. During the first world war he was employed by the War Industries Board, was later director of a federal commission studying the reclassification of salaries in the federal service, and made a survey of the employment policy of the Post Office Department. In 1934 he directed a nation-wide survey of electric power and light rates for the Federal Power Commission and in 1944 assisted in the reorganization of the Foreign Economic Administration.

Dean Mosher always put the public interest first. His volume on electric utilities published in 1929 held that the public "has a right to insist that its [the electrical utility industry's] development should not be governed entirely with respect to the stockholders, but with equal regard for the welfare of the public served." Another book published in 1933, of which he was co-author, urged speeding of regulation to keep utilities from getting more power. He was also co-author of *Public Personnel Administration*, the leading treatise in this field, which places special emphasis on ways of improving personnel practices to the end that public services might be more effectively administered.

After doing postgraduate work at the University of Berlin and at Halle, Dean Mosher spent thirteen years on the staff of Oberlin College. He was on the staff of the New York Bureau of Municipal Research from 1918 to 1924. He has been vice-president of the American Political Science Association, honorary vice-president of the National Municipal League, and chairman of the Governmental Research Association. In 1940 he was elected the first president of the American Society for Public Administration.

Dean Mosher's passing is a deep personal loss to his many friends, particularly to those who received training in public administration at Syracuse University and who were influenced by his enthusiasm, his loyalties, and his ability. The Dean, as he was affectionately and respectfully called, expressed his broad concern for the democratic purpose of government and for the welfare of the individual employee in his presidential address at the 1941 annual conference of the American Society for Public Administration: "When it comes to efficient management the human relations among the workers and between the workers and the supervisors are the heart-center of a sound policy. . . . We have dealt largely with the mechanics of administration. The aim has been avowedly to lay emphasis upon greater efficiency and economy in operations. . . . But this conception has proved to be not enough. How much more imperative is it for the public administrator to be sensitive to the broad social setting of his enterprise and the social values inherent in it, since the ultimate purpose of government, its very reason for being, is the

service of the people? Government in general, as well as each and every part of it, serves a social purpose and should be evaluated in social and human terms."

CLARENCE E. RIDLEY

*Ph.D., Syracuse University, 1927*

*Director, International City Managers' Association*

IT is unusual when a great teacher's students honor his contribution to a field of knowledge and to their development during his lifetime. Personal memorials, honorary scholarships, and professors' chairs are customarily established after the departure of distinguished scholars. It was not so in the case of Dr. William Mosher, who was paid an unusual honor by his former students at the height of his career. When the beautiful new building housing the Maxwell Graduate School of Citizenship and Public Affairs was dedicated in 1937, graduates of his course in public administration had placed on the wall in the main hall of the building a bronze bas-relief of Dr. Mosher by the noted sculptor Charles Keck. Engraved on the bronze under Dr. Mosher's likeness is this tribute:

WILLIAM E. MOSHER, DEAN  
MAXWELL GRADUATE SCHOOL OF CITIZENSHIP AND PUBLIC AFFAIRS  
PIONEER IN TRAINING FOR PUBLIC ADMINISTRATION  
A TRIBUTE FROM HIS STUDENTS

His students came from all parts of the country for the dedication of the new building for which he had in large part been responsible, but, more important, they were there for the presentation of the bas-relief to Dr. Mosher personally and to the School of Citizenship and Syracuse University. An unusual and possibly an unconventional presentation, to be sure, but one that expressed in a direct and practical way the sincere feeling and respect that the Mosher graduates had for the Dean. No one who was there will forget the event or the real pleasure that the occasion gave to Dr. Mosher.

Since the beginning of the School in 1924 nearly two hundred have graduated from the public administration course, and not one of them will ever forget the impact of Dr. Mosher's personality or the good example he set by his drive and hard work. All the graduates carry with them memories of Dr. Mosher's seminars and of field trips made under his direction. There is not one but had his vision broadened and his will to learn stimulated by contact with this citizen of the world. For Dr. Mosher had traveled widely and had studied intensively in Europe. He had also benefited from the practical experience he had received as staff member of the New York Bureau of Municipal Research and as consultant for many government agencies.

It was not unusual for his graduate students to attend his seminar in personnel methods in the morning, then hear Dr. Mosher argue law enforcement problems with visiting law professors at a Faculty Club luncheon, and then watch him serve as moderator at a Foreign Relations Forum in the evening. In the meantime the Dean might be serving as consultant or research director for a legislative commission revising the state's public utility laws or as an expert advisor on personnel or administrative problems. Many of his students who ate breakfast in the school's cafeteria remember that it was customary for Dr. Mosher to start the day before eight o'clock and frequently to work until after six in the evening.

The keenness of his intellect, the sparkle of his personality, and the zest which he had for life and work were indelibly impressed on all who knew him. Throughout the years his efforts were concentrated on doing everything possible to improve the public service and its administration. For this reason the administrative attainments and personal success of his graduates must have been intensely satisfying to the Dean. Many of his graduates hold positions of high responsibility in the federal service; some are administrators with international organizations, others are city managers or hold positions of similar importance in state or local government, and still others are directors of organizations of public officials.

It was my good fortune to graduate from Dr. Mosher's course in public administration and

then to serve two years as his assistant and as an instructor on the staff of the School of Citizenship.

Dr. Mosher was a man of rare talent, of unusual capabilities, and of fine personality, whose contribution to many fields of learning, including public utility regulation, personnel methods, public administration generally, and, surprisingly, Germanic literature, will long outlive the bronze bas-relief erected in his honor by admiring and grateful students who became his colleagues.

HUBERT R. GALLAGHER

*M.S., Syracuse University, 1930*

*Associate Director, The Council of State Governments*

### *Incorporation of the Society*

**D**URING the spring quarter steps were taken toward the incorporation of the Society by drawing up a draft of an amended constitution and submitting it to council members for perusal and criticism. The proposed constitution is printed in full on pages 286-88 of this issue.

Herbert Emmerich of Public Administration Clearing House, as a committee of one appointed by President Gulick, prepared a draft of an amended constitution in connection with the incorporation. When submitting the draft informally to the council members of the Society, Mr. Emmerich stated that incorporation was now advisable because the Society's business operations have achieved a substantial volume, and incorporation would relieve the officers and council members from the liability to which they are subject as officers of an unincorporated organization.

The amendments were prepared with a view to (1) preserving the intent of the original instrument and holding changes to a minimum, (2) eliminating unnecessary words and clarifying ambiguities, and (3) conforming with the Illinois state law. The legality of the draft was approved by Leonard Rieser, Esq., attorney.

### *Chapter News*

The San Francisco Bay Area Chapter held a dinner meeting on May 17 at the Hotel Claremont. Paul Appleby, formerly assistant director of the U. S. Bureau of the Budget and undersecretary of agriculture, now director of radio station KIRO at Seattle, was the speaker, and the topic, was "Organizing the United States Government To Meet the Administrative and Diplomatic Problems of the San Francisco Peace Conference."

Several members of the Society participated in the all-day Conference on Management Problems co-sponsored by the Southern California Chapter on May 5 at the University of Southern California. Topics scheduled for discussion included: distribution problems, war veterans, surplus commodities, small business, and taxation. The Society is represented on the Southern California Management Council by John Steven, the new president of the chapter. Society members who spoke at the conference included: Leo Cherne, executive secretary of the Research Institute of America, who spoke on "What is Ahead for Management"; and John M. Pfiffner, professor of public administration, University of Southern California and chairman of the personnel commission of the Los Angeles City Schools, who spoke on "The Relation of the Foreman to the Staff Departments." Other members of the Society who participated in the conference were Vernon D. Keeler, who was chairman of the conference, and Garrett R. Breckenridge, Harry F. Scoville, Thadene Hayworth, Emery E. Olson, and Albert Rathert, who were all chairmen of various seminars in the series.

On June 14 the chapter held its annual meeting, which consisted of a panel discussion of "Voluntary Probation." The panel included the following:

Will Baughman, of the California Taxpayers Association, chairman

Captain Robert W. Bowling, head of the juvenile division, Los Angeles Police Department

Harold H. Krowech, Los Angeles attorney  
Patrick L. Palace, head of the juvenile division, Los Angeles County Probation Department

At this meeting officers were elected to serve



the chapter for the coming year as follows:

*President*—John Steven, director of the Personnel Commission for Los Angeles City Schools

*Vice-President*—Garrett R. Breckenridge, chief research technician, Los Angeles County Bureau of Administrative Research

*Directors*—Evelyn Corby, executive secretary of the Civic Center Division, School of Government, University of Southern California

Patricia C. Dalmon, principal technician, Los Angeles City Civil Service Commission

Vernon Keeler, management consultant and instructor in management and industry, University of California Extension Division

Will Baughman, staff member of the California Taxpayers Association, was appointed by the board to serve as secretary of the chapter.

On July 10 the Chicago Chapter held its summer meeting at the Morrison Hotel for a panel discussion of "The Returning Veteran and the Public Service." The panel was made up of persons representing various agencies and services for the veteran operating in the Chicago area. Preceding the discussion each outlined the respective aims, standards, techniques, and methods of coordination and co-operation with other existing agencies to achieve the best results and to avoid overlapping of efforts.

Members of the panel were:

Eugene Brock, deputy regional director, War Manpower Commission, chairman  
Elidor Libonati, Americanism Commission, American Legion

Joseph A. Connor, director of Region VII, U.S. Civil Service Commission

Henry P. Dutton, dean of the Industrial Engineering Department, Illinois Institute of Technology

C. E. Hostettler, coordinator of rehabilitation and education, U.S. Veterans Administration, Hines Hospital

Dr. David Slight, professor of psychiatry, University of Chicago

C. E. Thorney, executive director, Veterans' Information Center.

The Massachusetts Chapter met at Littauer Center on May 10 to discuss "Leadership versus Authority in Public Administration." Charles S. Ascher, regional representative and acting urban development director of the National Housing Agency, was the principal speaker. Pendleton Herring, secretary of the Graduate School of Public Administration, Harvard University, and editor-in-chief of *Public Administration Review* was chairman of the meeting.

On June 5 the chapter held a dinner meeting at the Boston City Club to discuss some administrative problems of international collaboration. James M. Landis, dean of the Harvard Law School, who was recently American director of economic operations in the Middle East, was the speaker. The subject of his discussion was "Regional Planning for Foreign Administration."

On June 5 the Capitol District Chapter (Albany-Schenectady area) held a dinner meeting at the University Club to discuss "Administrative Control To Effectuate Postwar Construction Plans." Charles H. Sells, superintendent of New York State Department of Public Works, was the speaker and led the round-table discussion later in the evening.

Chapter officers for the 1945-46 program year were nominated and the following were elected to serve:

*President*—M. P. Catherwood, commissioner of New York State Department of Commerce

*Vice-President*—William L. Pfeiffer, executive assistant to the state comptroller

*Directors*—Byron T. Hipple, Jr., assistant to New York State Commissioner of Social Welfare

Charles H. Foster, senior budget examiner

C. A. Harrell, city manager of Schenectady, is also a member of the chapter council by the provision in the constitution of the Capitol District Chapter that any member of the Society's governing body in the chapter area is ex officio a member of the chapter council. The secretary of the chapter will be appointed later by the directors of the chapter.

## To the Members of the American Society for Public Administration:

THE following draft of an amended constitution for the American Society for Public Administration will shortly be submitted to the Council for formal adoption in connection with the proposed incorporation of the Society. The present constitution authorizes the Council to provide for the incorporation of the Society and in this connection it is necessary for the Council to adopt and file a constitution in order to conform with the laws of the State of Illinois governing corporation not for profit.

The officers and Council take this means of informing all members of the proposed action and invite correspondence containing suggestions and questions as to this amended constitution. All suggestions should be addressed to the headquarters office of the Society and should be in by September 30, 1945, in order to receive due consideration.

HAZEL JACKSON  
*Secretary-Treasurer*

### AMENDED CONSTITUTION OF THE AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

#### I. *Name and Purposes*

a. The name of this organization shall be the American Society for Public Administration.

b. This Society is organized for the following educational and scientific purposes:

1) To facilitate the exchange of knowledge and results of experience among persons interested or engaged in the field of public administration;

2) To encourage the collection, compilation, and dissemination of information on matters relating to public administration.

3) To advance generally the science, processes, and art of public administration

#### II. *Membership*

a. Any person interested in the purposes of the Society shall be eligible for membership.

b. The membership of the Society shall be divided into three classes: members, sustaining members, and junior members. Persons twenty-eight years old or under shall be classified as junior members. Sustaining members and junior members shall have all privileges of members. Here-

after unless specifically noted otherwise the term member includes junior members and sustaining members.

c. The annual dues of members shall be as follows: Sustaining members \$10 or more, members \$5, junior members \$3. The Council of the Society may change the amount of dues for the classes of membership if it finds a change to be in the best interest of the Society, provided, however, that no member's dues shall be raised within the year for which they have been paid.

d. After due notice any member delinquent in dues for more than six months shall be dropped from membership. The Council may expel any member when it deems such action to be in the best interest of the Society.

e. All members shall have the right to vote for officers and for Council members of the Society, to attend meetings of the Society, to hold office, and to receive the regular publications of the Society.

f. Libraries, educational institutions, and other organizations may become subscribers to publications of the Society in accordance with terms prescribed by the Council.

#### III. *Council*

a. The governing body of the Society shall be the Council which shall consist of

the President, Vice President, the three most recent past presidents, who are still members, and nine members elected by the membership, two of whom shall be juniors at the time of election. The persons named as the first members of the Council in the certificate of incorporation shall serve until the first annual meeting of the members. Thereafter, at each annual meeting three new Council members shall be elected for a term of three years to replace those whose terms have expired. Officers and Council members shall serve until their successors are elected and take office. The President shall fill by appointment any vacancy in the Council caused by death, resignation, or other inability to serve, or by lack of a sufficient number of past presidents.

b. The Council shall be vested with the management of the affairs of the Society and shall act in the capacity of a board of directors. The Council shall adopt such rules as may be appropriate for the governance of the Society. The Council shall have the power to contract for all necessary things and services in connection with the management of the Society, including the employment of auditors, and to delegate powers and duties to its officers and employees, and to provide for the business and conduct of annual and special meetings; the establishment of regional, state, or local chapters; special activities for junior members; and the issuance and distribution of the Society's journal and other publications.

c. An Executive Committee, consisting of the President, Vice President, most recent past president, and two members of the Council appointed by the President, with the approval of the Council, shall have the power to exercise all the functions of the Council between annual meetings and when the Council is not in session. All actions taken by the Executive Committee shall be reported promptly to the members of the Council.

#### IV. *Officers and Editorial Board*

a. The officers of the Society shall be a President, a Vice President, and a Secretary-Treasurer.

b. The President and Vice President shall be elected by the members of the Society at the annual meeting for a term of one year or until their successors are elected and take office. Until the first annual meeting of the incorporated Society, the persons who have been acting as such officers of the unincorporated Society of the same name shall be the President and Vice President of the Society.

c. The Secretary-Treasurer shall be appointed by the Council and shall serve at its pleasure.

d. The President, after each annual meeting, shall appoint an Editor-in-Chief and seven other members of the Editorial Board of the Society's journal. At least two of the members of the Editorial Board shall be replaced by new members in every year.

#### V. *Nominations and Elections*

a. The President shall appoint a Nominating Committee not less than sixty days prior to each annual meeting. The Nominating Committee shall consist of the three most recent past presidents able and willing to serve thereon. If there are not three past presidents available the President may appoint a sufficient number of other members to complete the Committee. The Nominating Committee shall present nominations for officers and Council members at the annual meeting of members.

b. Additional nominations may be made from the floor by any member at the time the Nominating Committee makes its report.

c. All nominations shall be voted on by separate vote for each office. All members present shall be entitled to vote. The nominee receiving the highest number of votes for each office shall be declared elected and shall thereupon take office.

d. The Council may provide for election

by mail ballot to each member in any year in which it is impossible to hold an annual meeting by reason of war or other national emergency. Space shall be provided on the ballot for writing in the names of additional candidates. The nominee receiving the highest number of votes for each office shall be declared elected and shall thereupon take office.

#### VI. Quorum

Eight members of the Council, three members of the Executive Committee, and twenty-five members of the Society shall respectively constitute a quorum. All action shall be by majority vote of members presents, unless otherwise provided by law or in this constitution.

#### VII. Chapters

a. It shall be the policy of the Society to encourage and recognize the establishment of regional, state, and local chapters of its members and junior members.

b. Chapters may be certified under such rules and policies as may be adopted by the Council from time to time.

#### VIII. Meetings

a. The annual meeting of members shall be held at a time and place designated by the Council. The President or Council may call special meetings.

b. Meetings of the Council or Executive Committee shall be held upon written or printed notice to be mailed not less than five nor more than forty days before the

date of the meeting. Meetings shall be at the call of the President, or of any five members of the Council, or of three members of the Committee.

#### IX. Waiver of Notice and Action Without Meeting

a. Any person entitled to vote at any meeting of members, or of the Council, or of the Executive Committee, may waive notice of the time, place, and purpose of such meeting either before or after the date of such meeting, and any action taken or resolution adopted thereat shall, upon such waiver, be as valid as though notice had been given.

b. Any action or resolution which might be taken or adopted at any meeting of the Executive Committee or Council shall be valid if written memorandum of such action or resolution is duly served upon all persons entitled to vote thereon in the manner prescribed for notice of a meeting, and if such action or resolution is approved in writing by a majority of the persons voting thereon, unless otherwise prescribed by law.

#### X. Amendments

This Constitution may be amended by a majority vote of members present and voting at any annual meeting or special meeting called therefor, provided the proposed amendment or amendments have been approved by the Council or have been submitted to the Secretary-Treasurer by petition of twenty-five or more members.



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